NEW ISSUE—Book Entry Only **RATINGS: Moody's: Aa3**
S&P: AA-
(See "RATINGS" herein)

$250,000,000
BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP
TAXABLE NOTES, SERIES 2017

Issuer. The Series 2017 Notes are being issued by Baptist Health South Florida, Inc. ("BHSF"), a Florida not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code, as amended, on behalf of itself and the other Members of the Obligated Group described herein. The current Members of the Obligated Group are identified herein under "THE OBLIGATED GROUP".

Joint and Several Obligations of Members of Obligated Group. The Series 2017 Notes will be joint and several obligations of the Obligated Group Members.

Authorizing Document. The Series 2017 Notes are being issued pursuant to a Master Trust Indenture dated as of May 1, 2007, as amended and supplemented (the "Master Indenture"), between the Obligated Group and Wells Fargo Bank, N.A., as master trustee (the "Trustee").

Amended and Restated Master Trust Indenture. The Obligated Group intends to amend and restate the Master Indenture. A proposed form of the Amended and Restated Master Trust Indenture is attached to this Offering Memorandum. By acceptance of the Series 2017 Notes, the purchasers will be deemed to have consented to the amendment and restatement of the Master Indenture.

Source of Payment. The Series 2017 Notes constitute general obligations of the Obligated Group Members and are secured by the Master Indenture. As security for the Series 2017 Notes and all other Obligations now outstanding or hereafter issued under the Master Indenture, each Member of the Obligated Group has assigned and pledged to the Trustee its Unrestricted Receivables, as defined in the Master Indenture. See "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES".

Purpose of Financing. The Series 2017 Notes are being issued for general corporate purposes of the Obligated Group. See "PLAN OF FINANCING" for the expected use of proceeds.

Pricing Terms and Payment Dates. See page immediately following the cover page.

Form and Date of Delivery. The Series 2017 Notes are being issued in book-entry only form under the DTC system. The Series 2017 Notes are expected to be delivered on January 12, 2017.

Redemption. The Series 2017 Notes are subject to redemption prior to maturity as herein described.

Legal Opinions. Chapman and Cutler LLP, Chicago, Illinois, and Saxon & Fink, LLP, Coral Gables, Florida, has served as counsel to BHSF and the other Members of the Obligated Group and will deliver certain opinions with respect to the Series 2017 Notes. In connection with the issuance of the Series 2017 Notes, Balch & Bingham LLP, Birmingham, Alabama, has served as counsel to the Underwriter.

Certain Tax Considerations. Interest on the Series 2017 Notes will be included in gross income of the holders for purposes of federal income taxation. See "CERTAIN TAX CONSIDERATIONS".

Risk Factors. For a description of certain risk factors involved in an investment in the Series 2017 Notes, see "RISK FACTORS".

Underwriter. The Series 2017 Notes are being purchased from the Obligated Group by

BofA Merrill Lynch

Date of Offering Memorandum. The date of this Offering Memorandum is January 9, 2017.

$250,000,000
BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP
TAXABLE NOTES, SERIES 2017

MATURITIES, AMOUNTS, RATES, PRICES, YIELDS, & CUSIPS

Maturity (November 15)	Principal Amount	Interest Rate	Price	Yield	Initial CUSIP Number
2041	$250,000,000	4.342%	100%	4.342%	066836 AB3

Date of Series 2017 Notes. The Series 2017 Notes will be dated as of the date of initial delivery. There will be no accrued interest due on the delivery date.

Payment Dates. Interest on the Series 2017 Notes is payable on May 15 and November 15 of each year, beginning on May 15, 2017. Principal is payable on November 15 in the years of maturity set forth above.

Redemption Prior to Maturity. The Series 2017 Notes are subject to redemption prior to maturity. See "THE SERIES 2017 NOTES—Redemption Provisions Pertaining to the Series 2017 Notes".

Authorized Denominations. The Series 2017 Notes may be issued in denominations of $1,000 or any integral multiple thereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2017 NOTES, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

No dealer, broker, salesman or other person has been authorized by the Obligated Group to give any information or to make representations with respect to the Series 2017 Notes, other than those contained in this Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information contained herein has been obtained from the Obligated Group and other sources, including DTC, which information is believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation of the Underwriter. The Underwriter has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

THE SERIES 2017 NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE STATE OF FLORIDA, NOR HAS THE MASTER INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2017 NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2017 NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2017 NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Offering Memorandum contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements". In this regard, the words "may," "will," "plan," "expect," "estimate," "budget," "intend," "project," "forecast," and similar expressions are intended to identify forward-looking statements. Such statements are based on the current expectations of the party making such statements as well as assumptions based on the information currently available to such party. A number of important factors, including factors affecting the Obligated Group's financial condition and factors which are otherwise unrelated thereto, could cause actual results to differ materially from those stated in such forward-looking statements. The Obligated Group has no obligation to, and does not plan to, issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur.

This Offering Memorandum contains a general description of the Series 2017 Notes, the Obligated Group, and the plan of financing. The descriptions herein do not purport to be complete and are not to be construed to be a representation of the Underwriter. Persons interested in purchasing the Series 2017 Notes should carefully review this Offering Memorandum (including the Appendices attached hereto).

The order and placement of materials in this Offering Memorandum, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Offering Memorandum, including the Appendices, must be considered in its entirety.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES TO "NOTES" OR "SECURITIES" MEAN THE SERIES 2017 NOTES OFFERED HEREBY.

MINIMUM UNIT SALES

THE NOTES WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE NOTE OF $1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 NOTES IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS OFFERING MEMORANDUM IS NOT A PROSPECTUS FOR THE PURPOSES OF EUROPEAN COMMISSION REGULATION 809/2004 OR EUROPEAN COMMISSION DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY EUROPEAN COMMISSION DIRECTIVE 2010/73/EU, AS APPLICABLE) (THE *"PROSPECTUS DIRECTIVE").* IT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE NOTES WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, AS IMPLEMENTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR SUCH OFFERS. THIS OFFERING MEMORANDUM IS ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE *"QUALIFIED INVESTORS"* WITHIN THE MEANING OF ARTICLE 2(l)(E) OF THE PROSPECTUS DIRECTIVE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA *("QUALIFIED INVESTORS").* THIS OFFERING MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON IN ANY SUCH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO QUALIFIED INVESTORS IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA AND WILL NOT BE ENGAGED IN WITH ANY OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFERING MEMORANDUM HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS *ACT* 2000 *("FSMA")* AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. IT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE *"FINANCIAL PROMOTION ORDER"),* (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS *"RELEVANT PERSONS").* THIS OFFERING MEMORANDUM IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS, INCLUDING IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA APPLIES TO BHSF. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFERING MEMORANDUM OR ANY OF ITS CONTENTS.

TABLE OF CONTENTS

Page

INTRODUCTORY STATEMENT 1

BAPTIST HEALTH SOUTH FLORIDA, INC. 2

THE OBLIGATED GROUP 2

THE SERIES 2017 NOTES 2
- General 2
- Book Entry System 3
- Redemption Provisions Pertaining to the Series 2017 Notes 3
- Notice of Redemption; Effect 3
- Defeasance 4

SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES 4
- General 4
- The Master Indenture 5
- Amended and Restated Master Trust Indenture 5
- Unrestricted Receivables Pledge 6
- No Mortgage on Facilities; Permitted Encumbrances 6
- Rates and Charges 6
- Outstanding and Additional Indebtedness 7

PLAN OF FINANCING 7

ESTIMATED SOURCES AND USES OF FUNDS 8

ANNUAL DEBT SERVICE REQUIREMENTS 9

RISK FACTORS 10
- Introduction 10
- Enforceability of Lien on Unrestricted Receivables 10
- No Recourse to Non-Obligated Affiliates; Risk of Credit Exposure to Non-Obligated Affiliates 10
- Property Insurance and Other Risk Management 11
- Climate Change and Severe Weather 11
- No Mortgage or Lien 11
- Enforceability of Master Indenture and Other Risks Related to Master Indenture Financings 11
- Effect of Certain Amendments; Restated Master Indenture 13
- Financial Covenants and Debt Management 13
- Ratings on the Series 2017 Notes 13
- Maintenance of 501(c)(3) Status 13
- Tax-Exempt Status of Certain Bonds Issued for Benefit of the Obligated Group 14
- Health Care Industry Factors 14

ONGOING DISCLOSURE 16

CERTAIN TAX CONSIDERATIONS 17
- General 17
- Tax Status of the Series 2017 Notes 18
- Interest 18
- Sale, Exchange or Redemption of Series 2017 Notes 18
- Defeasance 18
- Constant Yield Election 18

Original Issue Discount 19
Market Discount 19
Acquisition Premium; Amortizable Bond Premium 20
Medicare Tax 21
Non-U.S. Holders 21
Foreign Account Tax Compliance Act 22
Information Reporting and Backup Withholding Tax 22
State and Local Taxation 22

LITIGATION 23

LEGAL MATTERS 23

RATINGS 23

UNDERWRITING 23

INDEPENDENT AUDITORS 24

MISCELLANEOUS 25

APPENDIX A. CERTAIN INFORMATION CONCERNING BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES
APPENDIX B. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES AS OF SEPTEMBER 30, 2016 AND 2015
APPENDIX C. THE MASTER INDENTURE
APPENDIX D. THE DTC BOOK-ENTRY ONLY SYSTEM
APPENDIX E. PROPOSED FORM OF RESTATED MASTER TRUST INDENTURE

OFFERING MEMORANDUM

$250,000,000
BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP
TAXABLE NOTES, SERIES 2017

INTRODUCTORY STATEMENT

This Offering Memorandum provides information in connection with the issuance of $250,000,000 aggregate principal amount of Baptist Health South Florida Obligated Group Taxable Notes, Series 2017 (the "Series 2017 Notes"). The Series 2017 Notes are being issued by Baptist Health South Florida, Inc. ("BHSF"), a Florida not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code"), on behalf of itself and the other Members of the Obligated Group described herein. See "THE OBLIGATED GROUP". The Series 2017 Notes will be issued under a Master Trust Indenture dated as of May 1, 2007, as amended and supplemented (the "Master Indenture"), between the Obligated Group and Wells Fargo Bank, N.A., as master trustee (the "Trustee"). Capitalized terms not defined herein shall have the meaning attributed to such terms in the Master Indenture. See APPENDIX C.

The Master Indenture was originally executed and delivered in 2007 and has been supplemented or amended by the First Supplemental Master Trust Indenture dated as of May 1, 2011 (the "First Supplemental Master Indenture") and a Second Supplemental Master Trust Indenture dated as of December 21, 2011 (the "Second Supplemental Master Indenture"). The Master Indenture will be further supplemented by a Third Supplemental Master Trust Indenture (the "Third Supplemental Master Indenture") to be executed in connection with the issuance of the Series 2017 Notes. As used in this Offering Memorandum, the term "Master Indenture" means the Master Indenture as originally executed and delivered and as supplemented and amended pursuant to the First Supplemental Master Indenture, the Second Supplemental Master Indenture and the Third Supplemental Master Indenture. See APPENDIX C for the provisions of the Master Indenture, including the terms of the First, Second and Third Supplemental Master Indentures.

The Obligated Group intends to amend and restate the Master Indenture. A proposed form of the Amended and Restated Master Trust Indenture is attached as APPENDIX E hereto. By acceptance of the Series 2017 Notes, the purchasers thereof will be deemed to have consented to the execution by the Master Trustee of the Amended and Restated Master Trust Indenture. See "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES – Amended and Restated Master Trust Indenture."

BHSF controls, directly or indirectly, six not-for-profit corporations that own and operate acute care hospitals and other not-for-profit and for-profit corporations (the "BHSF System"). BHSF was organized for the purpose of providing quality healthcare services on a cost effective and integrated basis within the service areas of its hospitals and healthcare affiliates. For a description of BHSF, the other Members of the Obligated Group and certain of such other affiliates see "THE OBLIGATED GROUP" and APPENDIX A.

The Series 2017 Notes constitute general obligations of BHSF and the other Obligated Group Members and are secured by the Master Indenture. Each Obligated Group Member will be jointly and severally liable for payment of the Series 2017 Notes. As security for the Series 2017 Notes and all other obligations now outstanding or hereafter issued under the Master Indenture, each Member of the Obligated Group has assigned and pledged to the Trustee its Unrestricted Receivables, as defined in the Master Indenture. See "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES". APPENDIX C includes a composite copy of the Master Indenture.

The proceeds to be received by the Obligated Group from the sale of the Series 2017 Notes will be used by the Obligated Group for general corporate purposes. See "PLAN OF FINANCING" for a description of the expected uses of the proceeds of Series 2017 Notes.

Payment of the principal of, premium, if any, and interest on, the Series 2017 Notes is dependent on revenues to be derived by the Obligated Group. Certain risks inherent in the generation of such revenues and

otherwise associated with investment in the Series 2017 Notes are described herein under the caption "RISK FACTORS".

BAPTIST HEALTH SOUTH FLORIDA, INC.

BHSF controls, directly or indirectly, six not-for-profit corporations that own and operate acute care hospitals and other not-for-profit and for-profit corporations (the "BHSF System"). BHSF was organized for the purpose of providing quality healthcare services on a cost effective and integrated basis within the service areas of its hospitals and healthcare affiliates. The BHSF System includes the following entities:

(a) six entities (collectively referred to as the "BHSF Hospitals") operating acute care hospitals in the BHSF service areas: (i) Baptist Hospital of Miami, Inc. ("Baptist Hospital"), (ii) South Miami Hospital, Inc. ("South Miami Hospital"), (iii) Doctors Hospital, Inc. ("Doctors Hospital"), (iv) Homestead Hospital, Inc. ("Homestead Hospital"), (v) Mariners Hospital, Inc. ("Mariners Hospital"), and (vi) West Kendall Baptist Hospital, Inc. ("West Kendall Baptist Hospital");

(b) Baptist Outpatient Services, Inc. ("BOS"), an entity providing outpatient services in the BHSF service areas;

(c) Baptist Health South Florida Foundation, Inc. (the "Foundation"), an entity whose purpose is to raise funds for BHSF, the BHSF Hospitals and BOS; and

(d) Baptist Health Enterprises, Inc. ("BHE"), which through various subsidiaries and partnership interests conducts for-profit activities of the BHSF System.

BHSF, the BHSF Hospitals, BOS and the Foundation are Florida not-for-profit corporations and organizations described in Section 501(c)(3) of the Code. BHE is a Florida for-profit corporation. For a complete description of the BHSF System, the Obligated Group, and the business activities of the BHSF System, including certain financial information, see APPENDIX A.

THE OBLIGATED GROUP

The current Members of the Obligated Group are BHSF, the BHSF Hospitals, and BOS. The Master Indenture provides that Members may be added to, or deleted from, the Obligated Group, but Baptist Hospital must remain a Member of the Obligated Group. See APPENDIX C – "The Original Master Indenture" – Section 404 and 405.

As of September 30, 2016, the Obligated Group represented approximately 94% of the total assets, 88% of the revenues and 130% of income available for debt service of the BHSF System.

For additional information concerning the Obligated Group, see APPENDIX A, which should be read in its entirety, and the audited financial statements included in APPENDIX B.

THE SERIES 2017 NOTES

General

The Series 2017 Notes will be dated as of the date of initial delivery and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rate per annum and will mature on November 15 in the amount and in the year set forth on the inside front cover of this Offering Memorandum. Interest on the Series 2017 Notes will be payable on May 15 and November 15 in each year commencing May 15, 2017. The Series 2017 Notes will be issued as fully registered notes in authorized denominations ($1,000 and any integral multiple thereof) in accordance with the provisions of the Master Indenture.

The principal of, premium, if any, and interest on the Series 2017 Notes shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Book Entry System

The Series 2017 Notes are being issued in electronic form under the Book Entry System procedures of The Depository Trust Company ("DTC"). While the Series 2017 Notes are in the Book Entry System, the method and procedures for payment of the Series 2017 Notes and matters pertaining to transfers and exchanges of the Series 2017 Notes will be governed by the rules and procedures of the Book Entry System. If the Book Entry System is discontinued, the Master Indenture contains alternate provisions for the method of payment and for transfers and exchanges. See APPENDIX D for a description of the DTC Book Entry System. See APPENDIX C — the proposed form of the Third Supplemental Master Indenture—for a description of applicable provisions if the Book Entry System is terminated.

Redemption Provisions Pertaining to the Series 2017 Notes

Optional Redemption. The Series 2017 Notes are subject to redemption prior to their maturity at the option of the Obligated Group, in whole or in part on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Series 2017 Notes to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017 Notes to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2017 Notes are to be redeemed, discounted to the date on which such Series 2017 Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 25 basis points;

plus, in each case, accrued interest on the Series 2017 Notes to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2017 Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2017 Notes to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be the "Treasury Rate".

At the request of the Trustee to the Obligated Group Agent, the redemption price of the Series 2017 Notes to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained to calculate such redemption price by the Obligated Group Agent (at the Obligated Group Agent's expense). The Third Supplemental Master Indenture provides that the Trustee and the Obligated Group may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

Notice of Redemption; Effect

Notice of the call for any such redemption shall state the following: (i) the name of the note issue, (ii) the CUSIP number and note certificate number of the Series 2017 Notes to be redeemed, (iii) the original dated date of the note issue, (iv) the interest rate and maturity date of the Series 2017 Notes to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price, and (viii) the address and telephone number of the corporate trust office of the Trustee. The redemption notice is required to be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 30 or more than 60 days prior to the

redemption date to the registered owners of the Series 2017 Notes to be redeemed to the address shown on the Note Register; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2017 Note will not affect the validity of any proceedings for redemption as to any other Series 2017 Note with respect to which notice was properly given to the holder thereof. Prior to the date that the redemption notice is first mailed as aforesaid, funds shall be placed with the Trustee to pay the principal of such Series 2017 Notes, the accrued and unpaid interest thereon to the redemption date and the premium, if any, thereon or such notice of redemption shall state that any redemption is conditional on such funds being deposited with the Trustee on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Master Indenture.

Upon the happening of the above conditions and if sufficient funds are placed with the Trustee by the redemption date to pay the principal of such Series 2017 Notes, the accrued interest thereon to the redemption date and the premium, if any, thereon, the Series 2017 Notes, or portions thereof, thus called shall not bear interest after the applicable redemption date, will no longer be protected by the Master Indenture and shall not be deemed to be outstanding under the provisions thereof. The Trustee is required to redeem such an aggregate principal amount of such Series 2017 Notes at the principal amount thereof plus accrued interest to the redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Obligated Group Agent, such funds may be invested in United States Government Obligations until needed for redemption payout.

If such conditions are not satisfied or such funds are not so deposited by such date, such Series 2017 Notes shall not be subject to redemption and the holders thereof shall have the same rights as if no such notice had been given. In such event, the Trustee shall promptly give notice thereof to the owners of such Series 2017 Notes by first class mail, postage prepaid.

Defeasance

If the Obligated Group deposits Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable), the Series 2017 Notes, or a portion thereof, the Series 2017 Notes, or such portion thereof, shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on the Series 2017 Notes, or such portion, but the holders thereof shall be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Members may also pay or provide for the payment of all or a part of the indebtedness on Obligations of a particular series other than the Series 2017 Notes, as described in the Master Indenture.

SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES

General

The Series 2017 Notes and the interest thereon will be general obligations of the Members of the Obligated Group. Each Obligated Group Member will be jointly and severally liable for payment of the Series 2017 Notes.

The Master Indenture authorizes the Members to issue notes or other obligations ("Obligations") from time to time under the Master Indenture to evidence or secure indebtedness of any Member or to evidence obligations of any Member under Financial Products Agreements. See "Additional Indebtedness" below. As security for Obligations issued under the Master Indenture, the Members of the Obligated Group have pledged their Unrestricted Receivables, as described in "Unrestricted Receivables Pledge" below; however, neither the Series 2017 Notes nor any other Obligation currently issued and outstanding under the Master Indenture will be secured by any pledge of, mortgage on or security interest in any other assets of any Member of the Obligated Group. The Master Indenture permits the Obligated Group to create certain liens on its property and assets that can secure indebtedness other than Obligations or for only a portion of Obligations then outstanding. See APPENDIX C – Definition of "Permitted Encumbrances".

Holders of the Series 2017 Notes will be entitled to the protection of the covenants, restrictions and other obligations imposed upon the Members of the Obligated Group by the Master Indenture on a parity with other

outstanding Obligations. See "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES—Outstanding and Additional Indebtedness" below.

The Master Indenture

The Master Indenture provides that the Members of the Obligated Group will be jointly and severally obligated on all Obligations, including the Series 2017 Notes, that are issued pursuant to the Master Indenture. Notwithstanding uncertainties as to the enforceability of the covenant of each Member of the Obligated Group in the Master Indenture to be jointly and severally liable for each Obligation, the accounts of the current Members of the Obligated Group (so long as each Member continues to be a Member of the Obligated Group), and any future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met. See APPENDIX C for the terms of the Master Indenture, including certain restrictions imposed on the Obligated Group's actions for the benefit of all holders of Obligations issued under the Master Indenture. Such terms include, among others, restrictions on Liens on the Obligated Group's Property (Section 418), restrictions on the incurrence of Additional Indebtedness (Sections 415 and 416) and provisions governing the transfer of Property (Section 417). The Master Indenture requires the Obligated Group to maintain a comprehensive risk management program. It further provides that, pursuant to such program, the Obligated Group Agent may elect not to obtain commercial insurance with respect to any particular risk and not to maintain any specifically identified cash reserves with respect thereto (Section 407).

Amended and Restated Master Trust Indenture

The Obligated Group intends to amend and restated the Master Indenture. A proposed form of the Amended and Restated Master Trust Indenture (the *"Restated Master Indenture"*) is attached as APPENDIX E to this Offering Memorandum. By acceptance of the Series 2017 Notes, the purchasers thereof will be deemed to have consented to the execution by the Master Trustee of the Restated Master Indenture.

The Restated Master Indenture will amend, among other provisions, the following provisions of the Master Indenture:

— the provisions of the Master Indenture which require that the Obligated Group either redeem Obligations or deposit insurance and condemnation proceeds with the Master Trustee to repair or replace damaged or condemned property by removing such provisions;

— the provisions relating to the incurrence of Balloon Indebtedness and certain Short-Term Indebtedness (commercial paper) by deleting the requirement that the Obligated Group have a "take out" in place to refinance such Indebtedness;

— adding a definition of "Material Member" and revising certain bankruptcy and insolvency events of default to provide that only a bankruptcy or insolvency of a Material Member will result in an event of default under the Restated Master Indenture;

— revise the definition of "Debt Service Requirement" to provide that if commercial paper is repaid in any fiscal year with the cash of the Obligated Group, the maturing principal of the commercial paper will not be included in the calculation of Debt Service Requirement;

— revise the definition of Permitted Encumbrances to provide, among other things, that (i) a lien on Property (other than Unrestricted Receivables) to secure Financial Product Agreements will constitute a Permitted Encumbrance and (ii) purchase money security interests are treated as a Permitted Encumbrance;

— revise the application of funds language related to events of default to specify how payments are made with respect to Financial Product Agreements; and

— revise the definition of "Debt Service Requirements" to provide that the maturing portion of Balloon Indebtedness is not considered a payment of principal.

Unrestricted Receivables Pledge

Pursuant to the Master Indenture, each Member of the Obligated Group has granted a security interest in its Unrestricted Receivables to the Master Trustee for the equal and ratable benefit of the holders of the Series 2017 Notes and all other Obligations issued under the Master Indenture. Unrestricted Receivables is defined under the Master Indenture as all accounts now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of the State of Florida; excluding, however, gifts, grants, bequests, donations and contributions to any Member of the Obligated Group heretofore and hereafter made, and the income and gains derived therefrom, that are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Master Indenture or on the Obligations, including the Series 2017 Notes. The pledge of Unrestricted Receivables is subject to the right of any Member of the Obligated Group to sell its Unrestricted Receivables free and clear of the lien created by the Master Indenture thereon provided that such sale is in accordance with the provisions of the Master Indenture and is on commercially reasonable terms, and is further subject to the right of any Member of the Obligated Group to grant a prior or parity lien on its accounts receivable upon satisfaction of the terms of the Master Indenture for the creation of a Permitted Encumbrance. Any lien created under the Master Indenture on such accounts receivable would terminate and be immediately released upon any such sale with respect to any such accounts receivable so sold. Pursuant to the Master Indenture, the total amount of accounts receivable of the Obligated Group sold with recourse that have not been paid may not at any one time exceed 25% of the total accounts receivable of the Obligated Group as reflected on the most recent audited financial statements of the Obligated Group. See APPENDIX C – Article I—for the definition of Unrestricted Receivables. The security interest in the Unrestricted Receivables is perfected to the extent that such security interest may be perfected by filing. See "RISK FACTORS — Enforceability of Lien on Unrestricted Receivables".

No Mortgage on Facilities; Permitted Encumbrances

None of the Facilities of any Member of the Obligated Group will be mortgaged as security for the Series 2017 Notes. BHSF and the other Members of the Obligated Group have covenanted under the Master Indenture not to create or permit to be created any lien other than Permitted Encumbrances on their Property (as defined in the Master Indenture). See APPENDIX C – Section 418. Permitted Encumbrances could include prior liens on or security interests in a material portion of the Obligated Group's Property. In addition, the Obligated Group is permitted to place Liens on the Property to (i) secure Indebtedness provided that after giving effect to such Lien and all other Liens so created, the value of the Property of the Obligated Group which is encumbered is not greater than 20% of the value of all of the Property of the Obligated Group and (ii) secure Financial Product Agreements.

Rates and Charges

Pursuant to the Master Indenture, each Member of the Obligated Group covenants and agrees to operate its Facilities on a revenue producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness (including, without limitation, the Series 2017 Notes), all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it under the Master Indenture to the extent permitted by law. Each Member of the Obligated Group further covenants and agrees that it will from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of the Master Indenture.

Subject to certain limited exceptions set forth in the Master Indenture, if in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, the Obligated Group is required at its expense to retain a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Income Available for Debt

Service to at least 110% of the Maximum Annual Debt Service Requirements of the Obligated Group. The Master Indenture provides that the foregoing shall not be construed to prohibit any Member from serving indigent patients to the extent required for such Member to continue its qualification as a Tax-Exempt Organization so long as such service does not prevent the Obligated Group from meeting this requirement. See APPENDIX C – Section 409.

Outstanding and Additional Indebtedness

BHSF has previously borrowed the proceeds of a series of tax exempt bonds (the "Series 2007 Bonds"). In addition, BHSF has previously issued a series of taxable notes (the "2011 Notes") and has authorized a commercial paper program in a maximum principal amount of $150 million (the "CP"). The Series 2007 Bonds, the 2011 Notes and the CP are secured by the Master Indenture on a parity basis with the Series 2017 Notes.

The Master Indenture permits each Member of the Obligated Group to incur Additional Indebtedness (including Guaranties) upon the terms and subject to the conditions specified therein. See APPENDIX C – Section 415 and 416. The Master Indenture also permits the Members of the Obligated Group to enter into interest rate swap and other hedging transactions for the purpose of reducing, modifying, converting or otherwise managing such Member's interest rate risk or risk of changes in prices of commodities, securities, portfolios, products, supplies, goods or services (each such transaction, a "Financial Product Agreement") and to secure amounts payable under a Financial Product Agreement by issuing an Obligation. See APPENDIX C – Section 210. Obligations of a Member of the Obligated Group in respect of a Financial Product Agreement shall not constitute Indebtedness under the Master Indenture except to the extent such a Financial Product Agreement provides for the repayment of money borrowed, credit extended or the equivalent. Such Additional Indebtedness and Financial Product Agreements may, but need not, be evidenced or secured by an Additional Obligation. Except to the extent entitled to the benefits of additional security as permitted by the Master Indenture and summarized below, all Obligations will be equally and ratably secured by the Master Indenture.

Subject to certain conditions set forth in the Master Indenture, Additional Indebtedness and Financial Product Agreements incurred by a Member of the Obligated Group may be secured by security which does not extend to any other Indebtedness (including the Series 2017 Notes). Such security may include Liens on the Property (including health care facilities) of the Obligated Group, letters or lines of credit or insurance or Liens on cash or securities, including without limitation certain securities deposited or held in any depreciation reserve, debt service or interest reserve, debt service or similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document. The Master Indenture provides that Supplemental Master Indentures pursuant to which one or more series of Obligations entitled to additional security is issued may provide for such amendments to the provisions of the Master Indenture, including the provisions thereof relating to the exercise of remedies upon the occurrence of an event of default, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

PLAN OF FINANCING

Proceeds of the Series 2017 Notes are expected to be used at some time subsequent to the issuance of the Series 2017 Notes to redeem the 2011 Notes, but may also in the discretion of BHSF be used to finance capital expenditures or other corporate purposes.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2017 Notes is as follows (rounded to the nearest whole dollar):

Sources of Funds	
Principal amount of Series 2017 Notes	**$250,000,000**
Uses of Funds	
Refunding of 2011 Notes, capital improvements or other corporate purposes	$247,862,000
Costs of issuance of the Series 2017 Notes [1]	2,138,000
Total uses	**$250,000,000**

Note (1) Includes underwriter's discount, legal and accounting fees, printing costs, rating agency fees, and other costs of issuance.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements for the Series 2017 Notes.

Fiscal Year Ending September 30	Debt Service on Series 2017 Notes		
	Principal	**Interest**	**Total**
2017	-	$ 3,708,792	$ 3,708,792
2018	-	10,855,000	10,855,000
2019	-	10,855,000	10,855,000
2020	-	10,855,000	10,855,000
2021	-	10,855,000	10,855,000
2022	-	10,855,000	10,855,000
2023	-	10,855,000	10,855,000
2024	-	10,855,000	10,855,000
2025	-	10,855,000	10,855,000
2026	-	10,855,000	10,855,000
2027	-	10,855,000	10,855,000
2028	-	10,855,000	10,855,000
2029	-	10,855,000	10,855,000
2030	-	10,855,000	10,855,000
2031	-	10,855,000	10,855,000
2032	-	10,855,000	10,855,000
2033	-	10,855,000	10,855,000
2034	-	10,855,000	10,855,000
2035	-	10,855,000	10,855,000
2036	-	10,855,000	10,855,000
2037	-	10,855,000	10,855,000
2038	-	10,855,000	10,855,000
2039	-	10,855,000	10,855,000
2040	-	10,855,000	10,855,000
2041	-	10,855,000	10,855,000
2042	$250,000,000	5,427,500	255,427,500
Total	**$250,000,000**	**$269,656,292**	**$519,656,292**

RISK FACTORS

Introduction

The ability of the Obligated Group to make payments on the Series 2017 Notes when due may be affected by various risk factors described in this section of this Offering Memorandum. The following discussion of risk factors is not intended to be exhaustive and should be read in conjunction with all other parts of this Offering Memorandum.

Enforceability of Lien on Unrestricted Receivables

The Master Indenture provides that the Members of the Obligated Group will make payments to the Trustee sufficient to pay all Obligations, including the Series 2017 Notes and the interest thereon as the same become due. The obligation of the Members of the Obligated Group to make such payments is secured by a lien granted to the Trustee by the Obligated Group, pursuant to the Master Indenture, on the Unrestricted Receivables of each Member of the Obligated Group. This lien may become subordinate to certain Permitted Encumbrances under the Master Indenture. Unrestricted Receivables sold by the Members of the Obligated Group to other parties under conditions permitted by the Master Indenture will no longer be subject to the lien of the Master Indenture and might therefore be unavailable to the Trustee. Further, enforcement of any right to receive payments under the Medicare and Medicaid programs may be subject to restrictions under federal and state statutes and regulations concerning the assignability of such payments. In the event of bankruptcy of a Member of the Obligated Group, pursuant to the Bankruptcy Code, any receivable coming into existence and any Unrestricted Receivables of such Member received on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court might not be subject to the lien of the Master Indenture, and under certain circumstances a bankruptcy court or a court of equity may have power to direct the use of Unrestricted Receivables to meet expenses of such Member of the Obligated Group before paying debt service. With respect to receivables and Unrestricted Receivables not subject to the lien, the Trustee would occupy the position of an unsecured creditor. The value of the security interest in Unrestricted Receivables would also be diluted by the issuance of additional Obligations.

The security interest in Unrestricted Receivables granted by each Member of the Obligated Group to the Trustee under the Master Indenture is intended to be a perfected first priority security interest under the Uniform Commercial Code to the extent that such security interest may be perfected by filing. However, the enforceability of that security interest may be subordinated by operation of law to the interests and claims of other creditors in certain circumstances. Among certain claims and interest that may defeat the security interest are: (a) federal statutory and regulatory provisions limiting assignment of amounts due to health care providers from Medicaid and Medicare programs to persons other than the providers; (b) the absence of an express provision permitting assignment of receivables due under the contracts with third-party payors, and present and future prohibitions against assignment contained in applicable statutes or regulations; (c) certain judicial decisions that cast doubt upon the right of the Trustee, in the event of the bankruptcy of a Member of the Obligated Group, to collect and retain accounts receivable of such Member of the Obligated Group from Medicare, Medicaid and other governmental programs; (d) commingling of the proceeds of accounts with other moneys not so pledged; (e) statutory liens; (f) rights arising in favor of the United States or any agency thereof; (g) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (h) federal bankruptcy laws that may affect the security interest in accounts that are earned within 90 days (in certain cases, one year) preceding and after any effectual commencement of bankruptcy proceedings; (i) rights of third parties in accounts converted to cash and not in the possession of the Trustee; and (j) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Uniform Commercial Code as from time to time in effect.

No Recourse to Non-Obligated Affiliates; Risk of Credit Exposure to Non-Obligated Affiliates

The Members of the Obligated Group are the only entities that have any obligation to provide for payment of the Obligations, including the Series 2017 Notes from their revenues or property. Furthermore, the covenants and obligations of the Obligated Group under the Master Indenture and any supplements thereto do not apply to affiliates of BHSF who are not themselves Members of the Obligated Group.

Property Insurance and Other Risk Management

The cost and availability of insurance coverage for various risks associated with the operations of the Obligated Group can vary dramatically from year to year based on factors such as general claims experience in the insurance market or claims in the area where the operations of the Obligated Group are conducted. For example, in the past few years, particularly after the 2005 hurricane season that included Hurricane Katrina and Hurricane Wilma, the availability of property insurance for windstorm in the Obligated Group market area has been limited and the cost has been extremely high. The Obligated Group expects that trend for windstorm insurance to continue in the future.

The Master Indenture does not require the Obligated Group to maintain malpractice insurance, property insurance, business interruption insurance or any other form of insurance for the various risks related to its operations. The Obligated Group may elect to be uninsured or self-insured with respect to such risks. For a description of the comprehensive risk management program for the Obligated Group see "COMPREHENSIVE RISK MANAGEMENT PROGRAM" in APPENDIX A. For a summary of the pertinent provisions of the Master Trust Indenture, see APPENDIX C – "The Original Master Indenture".

Climate Change and Severe Weather

The Obligated Group's service area is subject to severe weather, including hurricanes. The service area may also be subject to the effects of long-term climate change. Severe weather and climate change could adversely affect, among other things, the service area's water supply, agricultural production, infrastructure, transportation and the health of residents. See the U.S. Environmental Protection Agency's August 2016 statement on climate change in Florida (the "EPA Statement") at https://www.epa.gov/sites/production/files/2016-08/documents/climate-change-fl.pdf. The EPA Statement is not incorporated in this Offering Memorandum. BHSF has no responsibility for the accuracy or completeness of the information in the EPA Statement. Severe weather and climate change could have a material adverse effect on the ability of the Obligated Group to pay debt service on the Series 2017 Notes. See APPENDIX A – "COMPREHENSIVE RISK MANAGEMENT PROGRAM – "Climate Change and Severe Weather".

No Mortgage or Lien

No mortgage or other lien will be created on Facilities of Members of the Obligated Group as security for the payment of the Series 2017 Notes or the other Obligations issued under the Master Indenture. Although the Master Indenture contains restrictions on liens and encumbrances that the Obligated Group Members may create with respect to their property, the Master Indenture also permits the Members to create certain liens and encumbrances (referred to in the Master Indenture as "Permitted Encumbrances") for the benefit of creditors other than the holders of Obligations under the Master Indenture. If the Obligated Group encounters financial difficulty, a creditor secured by a Permitted Encumbrance may be entitled to a prior claim against the proceeds of the property of the Obligated Group subject to such Permitted Encumbrance. See APPENDIX C – "The Original Master Indenture" for a description of Permitted Encumbrances. Permitted Encumbrances include, among other liens, liens which can secure Indebtedness so long as the Property subject to lien does not exceed 20% of the value of the Obligated Group's Property. If a Member creates or permits a lien that is not a Permitted Encumbrance, such lien may be enforceable against such Member even though a default may exist under the Master Indenture for violation of the restrictions on such lien. Neither the Master Indenture nor any other financing document with respect to the Series 2017 Notes restricts liens or encumbrances created by affiliates of BHSF that are not Members of the Obligated Group.

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

The state of insolvency, fraudulent conveyance and bankruptcy laws relating to the enforceability of guaranties or obligations issued by a corporation in favor of the creditors of another, or the obligation of a member of an obligated group to make debt service payments on behalf of another member of such obligated group, is unsettled. The ability to enforce the Master Indenture or any Obligations, including the Series 2017 Notes, against any Member of the Obligated Group which would be rendered insolvent thereby could be subject to challenge. A Member of the Obligated Group may not be required to make any payment or to provide for the payment of any Obligations, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the

Obligated Group, to the extent that such transfer would render the Member of the Obligated Group insolvent or which would conflict with, not be permitted by or is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. In particular, such obligations may be voidable under the United States Bankruptcy Code, the Florida fraudulent conveyance statute, or the Florida voluntary conveyance statute if the obligation is incurred without "fair", "valuable" or "fairly equivalent" consideration to the obligor and if the incurrence of the obligation thereby renders a Member of the Obligated Group insolvent. The standards for determining the fairness or value of consideration and the manner of determining insolvency are not clear and may vary under the United States Bankruptcy Code, state fraudulent conveyance statutes and applicable judicial decisions. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on an Obligation may be voided by a trustee in bankruptcy in the event of bankruptcy of such Member of the Obligated Group, or by third-party creditors in an action brought pursuant to state fraudulent conveyance statutes.

At the time of issuance of the Series 2017 Notes, BHSF, the BHSF Hospitals and BOS will be the only Members of the Obligated Group. The obligations of any future Members of the Obligated Group pursuant to the Master Indenture and the Obligations, including the Series 2017 Notes, as well as the obligations of current Members of the Obligated Group, will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights and as additionally described below.

The joint and several obligation of each Member of the Obligated Group to make payment of debt service on every Obligation issued under the Master Indenture will be subject, as to enforceability, to the limitations described under "Enforceability of Lien on Unrestricted Receivables" above. In addition, such obligations to make payments on each Obligation, if such amounts are not promptly paid by the Member of the Obligated Group that issued a particular Obligation, may not be enforceable (i) if the purpose for which the Obligation is issued is not consistent with the charitable purposes of such Member of the Obligated Group from which such payment is requested or if the Obligation is issued for the benefit of any entity other than a tax-exempt organization, (ii) if such payments are requested to be made from any moneys or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment, (iii) if such payments would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by such Member of the Obligated Group, or (iv) if such payments are requested to be made pursuant to any loan violating applicable usury laws.

There exists, in addition to the foregoing, common law authority and authority under Florida statutes for the ability of Florida courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation is insolvent or has taken some action which renders it unable to carry out its stated charitable purposes. Such court action may arise on the court's own motion or pursuant to a petition of the Florida Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Although the Master Indenture permits other persons to become Members of the Obligated Group, the current Members might remain the only Members of the Obligated Group throughout the term of the Series 2017 Notes. Also, since it is not known which entities, if any, may become additional Members of the Obligated Group, it is unknown what risks the addition of such entities to the Obligated Group, in light of their financial condition and the nature of their businesses, may present to the holders of the Series 2017 Notes. In addition, Members other than Baptist Hospital may withdraw from the Obligated Group, and be released from all obligations previously incurred by the Obligated Group, if certain conditions are met.

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

Effect of Certain Amendments; Restated Master Indenture

Certain amendments to the Master Indenture may be made with the consent of the holders of not less than 51% of the principal amount of the outstanding Obligations. Such amendments may adversely affect the holders of the Obligations, including the holders of the Series 2017 Notes, and such percentage may be composed wholly or partially of the holders of Obligations securing the Series 2007 Bonds, the Series 2011 Notes or Additional Obligations. Certain other amendments to the Master Indenture may be made without the consent of the holders of the Obligations. See APPENDIX C – "The Original Master Indenture" – Article VII. Also see "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES – Amended and Restated Master Trust Indenture."

Financial Covenants and Debt Management

General. The Master Indenture imposes various financial and operating covenants on the Obligated Group. For a description of those covenants, see APPENDIX C. When the Series 2017 Notes are issued, the only significant financial and operating covenants of the Obligated Group will be those imposed by the Master Indenture. The Obligated Group may in the future incur additional debt that will have additional or more restrictive financial or operating covenants. Holders of the Series 2017 Notes may not have the benefit of, or the ability to enforce, or waive, such covenants; however, default under any such covenants could subject the Obligated Group to financial distress, including without limitation possible acceleration of the related indebtedness, that could affect the Obligated Group's ability to operate its health care facilities and manage its debt portfolio in the normal course of business.

Balloon Debt and Commercial Paper. The Obligated Group has debt with balloon payment obligations and also has commercial paper that is expected to be remarketed on the maturity date of each commercial paper note. For a description of these obligations see APPENDIX A – "DEBT STRUCTURE OF BHSF". Although the Obligated Group expects such debt to be refinanced in the ordinary course of managing its debt portfolio, market conditions, credit rating of the Obligated Group or other factors may preclude refinancing as expected. In satisfying various financial and operating covenants under the Master Indenture, the Obligated Group is permitted to make various assumptions, including without limitation assumptions related to balloon debt, put debt and commercial paper.

Ratings on the Series 2017 Notes

The Series 2017 Notes have been rated as indicated in "RATING". No assurance can be given that the current ratings on the Series 2017 Notes will be maintained. A reduction or withdrawal of a rating could affect the secondary market price of the Series 2017 Notes and the liquidity of the investment in the Series 2017 Notes.

Maintenance of 501(c)(3) Status

The exemption of the Series 2017 Notes from registration under the federal securities laws presently depends upon maintenance by each Member of the Obligated Group of its not for profit status. To maintain status as a not for profit organization described in Section 501(c)(3) of the Code, the Members of the Obligated Group must conduct their operations in a manner consistent with representations previously made to the Internal Revenue Service (the "IRS") and with current and future IRS regulations and rulings governing tax-exempt healthcare organizations.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Members of the Obligated Group to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2017 Notes. Although each of the Members of the Obligated Group has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on such Member and its operations

The tax-exempt status of not-for-profit corporations, and the exclusion of income earned by them from taxation, has been the subject of review by various federal, state and local legislative, regulatory and judicial bodies. This review has included proposals to broaden and strengthen existing federal tax law with respect to unrelated business income of not-for-profit corporations.

The Taxpayer Bill of Rights 2 Act ("TBR2") created an intermediate sanctions system of federal excise taxes on "excess benefit transactions" between "disqualified persons" and tax-exempt organizations. Intermediate sanctions may be imposed by the IRS either in lieu of or in addition to revocation of exemption. TBR2 is potentially favorable to taxpayers because it provides the IRS with a punitive option short of exemption revocation to deal with incidents of private inurement. However, the standards for tax exemption have not been changed and the IRS still has authority to revoke tax-exempt status in appropriate circumstances.

In addition to the foregoing proposals with respect to income of not-for-profit corporations, various state and local governmental bodies throughout the country have challenged the tax-exempt status of such institutions and have sought to remove the exemption of property from real estate taxes with respect to part or all of the property of various not-for-profit institutions on the grounds that a portion of such property was not being used to further the charitable purposes of the institutions or that the institution did not provide sufficient care to indigent persons so as to warrant exemption from taxation as a charitable institution. Several of these disputes have been determined in favor of the taxing authorities or have resulted in settlements.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of not-for-profit corporations. Since such actions and proposals have been made, they have been vigorously challenged and contested. There can be, however, no assurance that future changes in the laws and regulations of the federal, state and local governments will not materially and adversely affect the operations and revenues of one or more Members of the Obligated Group by requiring such Member or Members to pay income or real estate taxes.

Tax-Exempt Status of Certain Bonds Issued for Benefit of the Obligated Group

From time to time BHSF has obtained financing on behalf of the Obligated Group through the issuance of tax-exempt bonds. The IRS conducts an audit program to examine compliance with the requirements regarding tax-exempt status. If an audit were to result in a final determination that bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the bonds and could have a material adverse effect on the Obligated Group and could result in an event of default under the Master Indenture.

Health Care Industry Factors

The health care industry is subject to a number of factors that could adversely affect the business prospects of the Obligated Group. Those factors include, but are not limited to, the following:

The Health Care Industry is Highly Regulated. The health care industry is highly regulated by the federal and state governments. These complex and evolving laws and regulations relate to myriad areas including licensure and accreditation standards, delivery of care requirements (whether or not patients have the resources for payment), quality of care and health outcome standards, penalties for excessive re-admission of patients, requirements for billing accuracy, standards for collecting for services rendered, other fraud and abuse, privacy and security of patient health care information requirements, and regulations with respect to the relationship between health care facilities and referring clinicians. For providers organized as charitable organizations under Section 501(c)(3) of the Code, there are additional regulations that must be satisfied to preserve tax-exempt status. The cost of compliance with these regulations is significant. Failure to comply can result in significant fines, penalties, or exclusion from third party payor programs such as Medicare and Medicaid.

Payment Systems. The Obligated Group derives most of its revenues from Medicare, Medicaid, Blue Cross and other third party payor programs. Such programs typically provide payment for services rendered to their beneficiaries in an amount that is less than actual patient charges. These payment systems are complex, subject to periodic change, and require a high degree of accuracy in the billing and collecting process. Failure to submit accurate billing may result in large financial penalties or claims or disqualification from the third party payor program. Penalties or claims may be made by governmental authorities, such as the Department of Justice and the Department of Health and Human Services Office of Inspector General, independent auditing firms under contract with the government, or from private whistleblowers under so-called False Claims Act "qui tam actions". The Obligated Group recently settled some claims relating to its billing practices; however, those settlements were reflected in existing reserves and do not affect the results of operations reflected in APPENDIX A.

Alternate Payment Systems. The payment systems for health care services are increasingly moving towards accountable care and value-based purchasing models whereby reimbursement is tied to quality, efficiency, or patient outcome measures, and may be expanded to cover capitation or other coverage programs in which the providers assume the risk of health care services for a defined population. The development of risk-based coverage programs in the Obligated Group's market could force the Obligated Group to assume increased risk for the amount and cost of services it provides.

Health Care Reform. In 2010 Congress adopted extensive health reform legislation commonly referred to as the Affordable Care Act ("ACA"). The ACA significantly changed, and continues to change, how health care services are covered, delivered and financed in the United States. The primary goal of the ACA – extending commercial and Medicaid insurance coverage to previously uninsured individuals – has taken place through a combination of private sector health insurance reforms and expansion of the Medicaid program. Florida, where the Obligated Group operates, has not elected the ACA option to expand Medicaid coverage. Such decision reduces the amount of reimbursement that might otherwise be available to the Obligated Group and the net-positive effect of ACA reforms in the State. The ACA also includes numerous initiatives aimed at Medicare and Medicaid spending reductions and quality enhancements, such as provider reporting and accountability, alternative payments models and fraud and abuse enforcement enhancements. Implementation of the various ACA initiatives is on-going and will require extensive time and expense. The future of the ACA and its implementation, however, is uncertain as the ACA has continuously been the subject of legal and political challenges and national debate. Most recently, members of the Republican-controlled Congress have vowed to completely or partially repeal the ACA. Whether or not the ACA remains in effect, it is expected that governments will continue to consider various reform proposals in the health care industry. Any future health care reform initiatives may subject health care providers to increased compliance requirements, reduced reimbursement for services, increased costs, or a combination of such results.

Trend Toward Large-Deductible Insurance Policies. Coverage provided by insurance is trending toward large deductibles or self-insurance retention for patients, which reduces the required premiums, but increases out-of-pocket expense for the insured. These large deductible policies can be expected to increase the challenge of collecting for services rendered and may result in an increase of bad debt expense for health care providers.

Budgetary Pressure for Medicare and Medicaid Funding. Medicare and Medicaid are government-sponsored programs. Funding for those programs is subject to the legislative processes of federal and state governments. The budget challenges, spending policies or deficit reduction initiatives of those governments have resulted in significant reductions or delays in reimbursement for health care services in the past and can be expected to apply pressure on reimbursement for the foreseeable future.

Competition from Other Providers. The health care industry is highly competitive. Construction of new facilities in the Obligated Group's market can have an adverse effect on utilization of the Obligated Group's facilities. Payors for health care services, including private insurers, may form "closed" or "narrow" networks or policies that restrict payment for services only to certain providers in a coverage area. Exclusion of the Obligated Group from such networks can have a significant negative impact on utilization at the Obligated Group's facilities. **Additionally, future competition may result from scientific or technological advances, changes in health care delivery models, increased outpatient care delivery, improved preventative care or other unanticipated sources.**

Physician Recruitment. A patient's physician has an important role in determining where that patient seeks health care services. Thus, it is important that the Obligated Group maintain a high quality medical staff with a mix of primary care and specialty physicians that meets the needs of patients. The medical staff may be comprised of independent physicians or employed physicians. In recent years the Obligated Group has pursued a strategy of employing physicians to enhance the availability of high quality physicians to meet the needs of patients and their insurers. This strategy has increased expenses for the Obligated Group and has reduced the operating margin in fiscal years 2015 and 2016, although consolidation of practice groups and other cost-reduction efforts are expected to improve the results of this strategy. See APPENDIX A - "UTILIZATION AND FINANCIAL INFORMATION - Management's Discussion and Analysis".

Capital Investment in Medical and Information Technology. The technology for diagnosis and treatment of patients changes rapidly and requires large capital investment on an ongoing basis in order for a health system to meet the needs of its patients. Additionally, a health system's information systems require an ongoing commitment of significant resources to keep pace with evolving information technology and regulatory standards.

Other Factors Affecting the Health Care Industry. In addition to the factors discussed above, the following additional factors, among others, may adversely affect the operations of health care providers, including the Obligated Group:

- Increased efforts by insurers, private employers and governmental agencies to limit the cost of hospital services, to reduce the number of hospital beds and to reduce utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety, and outpatient care.

- Termination of existing agreements between a provider and employed physicians who render services to the provider's patients, or alteration of referral patterns by independent physicians and physician groups.

- The failure to negotiate favorable contracts with commercial third party payors.

- The availability and cost of insurance or self-insurance to protect against malpractice and general liability claims.

- Environmental and hazardous waste disposal regulations.

- Future legislation and regulations affecting the tax-exempt status of 501(c)(3) hospitals or imposing additional requirements on qualification.

- The reduced need for hospitalization or other traditional health care services as a result of medical and other scientific advances.

- Imposition of wage and price controls for the health care industry.

- The availability of or cost of retaining nursing, technical or other health care personnel.

- A national or local outbreak of an infectious disease such as the Ebola virus or Zika virus, or the spread of any bacteria, virus or infectious disease that is resistant to existing drugs or medical treatment.

- Reduction in population, increased unemployment or other adverse economic conditions in the market.

- Poor results on publically available quality and patient satisfaction measures.

- Cyber-attacks resulting in compromised patient health or financial data.

- Facility damage from natural causes or deliberate acts of destruction.

ONGOING DISCLOSURE

In the Master Indenture, BHSF agrees, by not later than 150 days after the end of each fiscal year of BHSF, beginning with the fiscal year ending September 30, 2017, to provide to the Trustee and any holder of Series 2017 Notes who requests the same in writing a copy of the audited financial statements of BHSF for such fiscal year. Except for providing such annual audited financial statements, BHSF has not undertaken either to supplement or update the information included in this Offering Memorandum; however, BHSF has entered into a continuing disclosure undertaking (the "Continuing Disclosure Undertaking") in connection with issuance of the Series 2007 Bonds. Holders and prospective purchasers may obtain copies of the information provided by BHSF under the Continuing Disclosure Undertaking from the Municipal Securities Rulemaking Board through the operation of the

Electronic Municipal Market Access System ("EMMA"). The Continuing Disclosure Undertaking terminates when the Series 2007 Bonds are paid or deemed paid in full. The final maturity date for the Series 2007 Bonds is August 15, 2042. The Series 2007 Bonds are subject to optional redemption on or after August 15, 2017.

CERTAIN TAX CONSIDERATIONS

General

The following is a summary of certain U.S. federal income tax consequences relating to the purchase, ownership and disposition of the Series 2017 Notes. It does not provide a complete analysis of all potential tax considerations relating to the purchase, ownership and disposition of the Series 2017 Notes. This summary is based on the provisions of the Code, Treasury regulations promulgated or proposed thereunder, judicial authority and administrative rulings and practice, all as of the date of this Offering Memorandum and all of which are subject to change, possibly retroactively, or to different interpretation.

Except where expressly provided, this summary applies only to "U.S. holders" (as defined below) who purchase the Series 2017 Notes at their original issuance at their "issue price" within the meaning of Section 1273 of the Code and who hold the Series 2017 Notes as capital assets within the meaning of Section 1221 of the Code. A capital asset is generally an asset held for investment rather than as inventory or as property used in a trade or business. This summary does not discuss all of the aspects of U.S. federal income taxation which may be relevant to investors in light of their particular investment or other circumstances. This summary also does not discuss the particular tax consequences that might be relevant to investors that are subject to special rules under the federal income tax laws, including: tax-exempt investors; foreign investors; banks, thrifts, insurance companies, regulated investment companies or other financial institutions or financial service companies; brokers or dealers in securities, commodities or foreign currencies; U.S. persons that have a functional currency other than the U.S. dollar; real estate investment trusts, financial asset securitization investment trusts, subchapter S corporations; persons subject to alternative minimum tax; persons who own the Series 2017 Notes as part of a straddle, hedging transaction, constructive sale transaction or other risk-reduction transaction; persons who have ceased to be U.S. citizens or to be taxed as resident aliens; persons who acquire the Series 2017 Notes in connection with their employment or other performance of services; or partnerships or other pass-through entities and investors therein.

The following summary does not address all possible tax consequences. In particular, except as specifically described below, it does not discuss any estate, gift, generation skipping, transfer, state, local or foreign tax consequences. No ruling from the IRS has been or will be sought with respect to the statements made and the conclusions reached in the following summary, and there is no assurance that the IRS will agree with those statements and conclusions. For all these reasons, each prospective investor should consult with its tax advisor about the federal income tax and other tax consequences of the acquisition, ownership and disposition of the Series 2017 Notes.

As used herein, a "U.S. holder" is a beneficial owner of the Series 2017 Notes who, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to federal income taxation regardless of its source, or (iv) a trust if it (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership, including an entity or arrangement treated as a partnership for U.S. federal income tax purposes, is a holder of a Series 2017 Note, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships and their partners should consult their own tax advisors as to the particular U.S. federal income tax consequences applicable to them of an investment in the Series 2017 Notes.

Tax Status of the Series 2017 Notes

Interest on the Series 2017 Notes is not excluded from the gross income of holders who are U.S. holders. See the discussion below for a more detailed summary of certain U.S. federal income tax consequences of owning the Series 2017 Notes.

Interest

Stated interest on a Series 2017 Note held by a U.S. holder generally will be included in its gross income as ordinary interest income at the time it is paid or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale, Exchange or Redemption of Series 2017 Notes

A U.S. holder generally will recognize gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a Series 2017 Note measured by the difference between (i) the amount of cash proceeds and the fair market value of any property received (except to the extent attributable to accrued but unpaid interest) and (ii) the U.S. holder's adjusted tax basis in such Series 2017 Note. A U.S. holder's adjusted tax basis in a Series 2017 Note generally will equal its cost of the Series 2017 Note and decreased by any principal payments received with respect to the Series 2017 Note. Any amount that is attributable to accrued but unpaid interest, to the extent not previously included in income, will be taxable as interest. Gain or loss on the disposition of Series 2017 Notes will generally be a capital gain or loss, except to the extent that any gain is treated as ordinary income under the "market discount" rules, and will be a long-term capital gain or loss if the Series 2017 Notes have been held for more than one year at the time of disposition. Long-term capital gains of individuals and other non-corporate taxpayers are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Prospective investors should consult their tax advisors regarding the treatment of capital gains and losses.

Defeasance

Defeasance of any Series 2017 Note may result in a deemed disposition of such Series 2017 Note and a deemed reissuance of a "new" Series 2017 Note to the U.S. holder for U.S. federal income tax purposes, in which event a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized from the deemed exchange and the U.S. holder's adjusted tax basis in the Series 2017 Note. The "new" Series 2017 Note deemed reissued in such a defeasance may be treated as issued with original issue discount in an amount equal to the excess, if any, of the stated redemption price at maturity of the "new" Series 2017 Note over its deemed issue price. Prospective investors should consult their tax advisors regarding the tax consequences of a defeasance of the Series 2017 Notes.

Constant Yield Election

Under applicable regulations, a holder may elect to include in gross income all interest that accrues on the Series 2017 Notes (including stated interest, acquisition discount, original issue discount ("OID"), de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with the constant yield method described below, taking into account the compounding of interest. The election may only be made during the taxable year in which the U.S. holder acquires the Series 2017 Notes and may not be revoked without the consent of the IRS. U.S. holders should consult their own tax advisors about this election.

If a holder has not previously made an election under Section 171(c)(2) of the Code to amortize bond premium, a constant yield election for a Series 2017 Note with amortizable bond premium will result in a deemed election under Section 171(c)(2) of the Code for all of the holder's debt instruments with amortizable bond premium acquired during the current year and all subsequent years. Similarly, a constant yield election for Series 2017 Notes with market discount by a U.S. holder that has not made an election under Section 1278(b) of the Code to include market discount in income on a current basis will result in a deemed election under Section 1278(b) of the Code. Such a deemed election will apply to all debt instruments with market discount acquired by the U.S. holder during the current year and all subsequent years. Neither the bond premium election under Section 171(c)(2) of the Code

nor the market discount election under Section 1278(b) of the Code may be revoked without the permission of the IRS.

Original Issue Discount

Bonds may be issued with OID. In general, in the hands of the original holder of a bond, OID is the difference between the stated redemption price at maturity of the bond and its issue price. The stated redemption price at maturity of a bond generally will be equal to the sum of all payments, whether principal or interest, to be made on the bond other than qualified stated interest payments. Under applicable regulations, qualified stated interest payments are stated interest payments based on a single fixed rate of interest or, under certain circumstances, a variable rate tied to an objective index, that are actually and unconditionally payable in cash or property (other than a debt instrument of the issuer) at fixed periodic intervals of one year or less during the entire term of the bond. In general, the issue price of a bond is the initial offering price to the public at which a substantial amount of bonds are sold, ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.

In the case of bonds that are determined to be issued with OID for U.S. federal income tax purposes, a U.S. holder must generally include the OID in ordinary income for U.S. federal income tax purposes as it accrues in advance of the receipt of any cash attributable to the income. Any amounts included in income as OID with respect to a bond will increase a U.S. holder's adjusted basis in the bond. The amount of OID, if any, required to be included in a U.S. holder's ordinary income for U.S. federal income tax purposes in any taxable year will be computed in accordance with Section 1272(a) of the Code and applicable regulations. Under these rules, OID accrues on a daily basis under a constant yield method that takes into account the compounding of interest. The daily portions of OID are determined by allocating to each day in any accrual period a pro rata portion of the OID for that period.

Accrual periods may be of any length and may vary in length over the term of the bonds, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. OID for any accrual period will be the excess of:

- the product of the bond's adjusted issue price at the beginning of the accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over

- any qualified stated interest payments for that accrual period.

The adjusted issue price of a bond at the start of any accrual period is the sum of the issue price and the accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition or bond premium, as described below), reduced by any prior payments made on the bond, other than qualified stated interest, on or before the first day of the accrual period. One effect of this method is that U.S. holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

The OID for a bond will be considered to be zero if it is less than one quarter of one percentage point of the bond's stated redemption price at maturity multiplied by the number of complete years from the date of issue of the bond to its maturity date. This amount constitutes de minimis OID. In the case of a bond issued with de minimis OID, U.S. holders generally must include the de minimis OID in income as stated principal payments on the bonds are made in proportion to the amount of principal paid. Any amount of de minimis OID included in income upon sale, exchange, retirement or other taxable disposition of a bond will be treated as capital gain if the bond is a capital asset in the holder's hands.

Market Discount

The Series 2017 Notes will be treated as having a market discount if the amount for which a U.S. holder purchased the Series 2017 Notes is less than the Series 2017 Notes' stated redemption price at maturity or, in the

case of Series 2017 Notes issued with OID, the Series 2017 Notes' original issue price plus any accrued OID, unless, in either case, this difference is less than a specified de minimis amount.

In general, any partial payment of principal or any gain recognized on the maturity or disposition of market discount on the Series 2017 Notes will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Series 2017 Notes.

Generally, the accrued market discount will be the total market discount on Series 2017 Notes multiplied by a fraction, the numerator of which is the number of days the U.S. holder held the Series 2017 Notes and the denominator of which is the number of days from the date the U.S. holder acquired the Series 2017 Notes until their maturity date. A U.S. holder may elect, however, to determine accrued market discount under the constant-yield method described in "Original Issue Discount" above.

If the Series 2017 Notes are disposed of in a nontaxable transaction (other than as provided in Code Section 1276(c) and (d)), accrued market discount will be includible as ordinary income to the U.S. holder as if the holder had sold the Series 2017 Notes at their then fair market value. Limitations imposed by the Code that are intended to match deductions with the taxation of income may defer deductions for interest on indebtedness incurred or continued, or short-sale expenses incurred, to purchase or carry Series 2017 Notes with accrued market discount. A U.S. holder may elect to include market discount in gross income as it accrues, and a U.S. holder who makes this election is exempt from these limitations. An election to include market discount in income currently, once made, applies to all market discount obligations acquired during or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. The adjusted basis of Series 2017 Notes subject to this election will be increased to reflect market discount included in income, thereby reducing any gain or increasing any loss on a sale or taxable disposition.

Acquisition Premium; Amortizable Bond Premium

A U.S. holder that purchases Series 2017 Notes for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the Series 2017 Notes after the purchase date other than payments of qualified stated interest will be considered to have purchased the Series 2017 Notes at an acquisition premium. Under the acquisition premium rules, the amount of OID that the holder must include in its gross income for the Series 2017 Notes for any taxable year will be reduced (but not below zero) by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases Series 2017 Notes for an amount in excess of the amount payable at maturity, the U.S. holder will be considered to have purchased the Series 2017 Notes with amortizable bond premium equal in amount to that excess and may elect to amortize this premium over the remaining term of the Series 2017 Notes, based on the U.S. holder's yield to maturity for the Series 2017 Notes as determined under the bond premium rules. A U.S. holder may generally use the amortizable bond premium allocable to an accrual period to offset qualified stated interest required to be included in the U.S. holder's income for the Series 2017 Notes in that accrual period. Under applicable regulations, if the amortizable bond premium allocable to an accrual period exceeds the amount of qualified stated interest allocable to the accrual period, the excess would be allowed as a deduction for the accrual period, but only to the extent of the U.S. holder's prior interest inclusions on the Series 2017 Notes. Any excess is generally carried forward and allocable to the next accrual period. A U.S. holder who elects to amortize bond premium must reduce his tax basis in the Series 2017 Notes as described below under "Sale, Exchange, Retirement or Other Taxable Disposition of Series 2017 Notes." An election to amortize bond premium applies to all taxable debt obligations held by the U.S. holder on or after the beginning of the first taxable year to which the election applies and may be revoked only with the consent of the IRS. Applicable regulations provide limited automatic consent for a U.S. holder to change its method of accounting for bond premium to the constant yield method if the change is made for the first taxable year (by a statement on the relevant return) for which the U.S. holder must account for a bond under those regulations. If a U.S. holder does not elect to amortize bond premium, such premium generally would produce a capital loss, which capital loss may be subject to limitations on deductibility.

Medicare Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% Medicare tax on the lesser of (1) the U.S. holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). A U.S. holder's net investment income will generally include its interest income (including OID) and its net gains from the disposition of Series 2017 Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If a purchaser is a U.S. holder that is an individual, estate, or trust, such purchaser is urged to consult its tax advisors regarding the applicability of the Medicare tax to income and gains in respect of its investment in the Series 2017 Notes.

Non-U.S. Holders

A holder is a "non-U.S. Holder" for purposes of this discussion if the investor is not a "U.S. holder." An investor may, subject to exceptions, be deemed to be a resident alien, as opposed to a non-resident alien, by among other ways, being present in the United States:

- on at least 31 days in a calendar year, and
- for an aggregate of at least 183 days during a three-year period ending in such calendar year, counting for such purposes all of the days present in such year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year.

If an investor is a non-U.S. Holder, any interest paid or accrued to you will generally be considered "portfolio interest", and generally will not be subject to United States federal income tax and withholding tax, if the interest is not effectively connected with the conduct of a trade or business within the United States by such investor, the Series 2017 Notes are considered to be in "registered form" and the investor:

- is not a "controlled foreign corporation" that is related to the issuer through stock ownership (as provided in the Code);
- is not a bank whose receipt of interest on the debt instruments is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business; and
- satisfies the statement requirement set forth in Section 871(h) and Section 881(c) of the Code and the regulations thereunder.

If an investor is an individual or a corporation (or an entity treated as a corporation for federal income tax purposes) holding the Series 2017 Notes on its own behalf, these requirements will be met if the investor provides its name and address, and certifies, under penalties of perjury, that it is not a United States person (which certification may be made on an IRS Form W-8BEN, W-8BEN-E, W-8IMY or other appropriate form), and that the factual requirements are true. In some cases, the investor may qualify for an exclusion from withholding under a treaty with the proper IRS forms are provided without certifying as to the factual elements.

If an investor is a foreign person and interest paid or accrued to the investor is not "portfolio interest", then it may be subject to a 30% withholding tax unless the investor provides the issuer or its paying agent, as the case may be, with a properly executed IRS Form W-8ECI, stating that interest paid on the Series 2017 Note is not subject to withholding tax because it is effectively connected with the investor's conduct of a trade or business in the United States.

If an investor is a foreign person engaged in a trade or business in the United States and interest on the Series 2017 Note is effectively connected with the conduct of the trade or business, although the investor will be exempt from the withholding tax discussed above, the investor will be subject to United States federal income tax on its interest on a net income basis in the same manner as if it were a United States person. In addition, if the investor

is a foreign corporation, the investor may be subject to a branch profits tax equal to 30% (or lower treaty rate), of its "effectively connected earnings and profits" for the taxable year, subject to adjustments.

If the investor is a foreign person, any capital gain realized by it on the sale, redemption, retirement or other taxable disposition of a Series 2017 Note will be exempt from United States federal income and withholding tax; *provided*, that:

- the gain is not effectively connected with the investor's conduct of a trade or business in the United States; and
- if the investor is an individual, the investor has not been present in the United States for 183 days or more in the taxable year.

Foreign Account Tax Compliance Act

Foreign holders should be aware that the Foreign Account Tax Compliance Act ("FATCA") provides that a 30% withholding tax will be imposed on certain payments (which include interest in respect of the Series 2017 Notes and gross proceeds from the sale, exchange, redemption or other disposition of such Series 2017 Notes) made to a foreign entity if such entity fails to satisfy certain disclosure and reporting rules.

FATCA withholding will apply to interest payments made with respect to the Series 2017 Notes. The IRS has released final regulations and additional guidance generally providing FATCA withholding tax on gross proceeds will not be imposed with respect to payments made prior to January 1, 2019. The United States Treasury is also in the process of signing Intergovernmental Agreements with other countries to implement the exchange of information required under FATCA. Investors in the Series 2017 Notes that are non-U.S. Holders are strongly encouraged to consult with their own tax advisors regarding the potential application and impact of FATCA and any Intergovernmental Agreement between the United States and their home jurisdiction in connection with FATCA compliance.

Information Reporting and Backup Withholding Tax

In general, information reporting requirements will apply to payments to certain U.S. holders of principal and interest on a Series 2017 Note and the proceeds of the sale of a Series 2017 Note. A U.S. holder may be subject to backup withholding when it receives interest with respect to the Series 2017 Notes or when it receives proceeds upon the sale, exchange, redemption, retirement or other disposition of the Series 2017 Notes. The backup withholding rate currently is 28%. In general, an investor can avoid this backup withholding by properly executing under penalties of perjury an IRS Form W-9 or substantially similar form that provides (1) such investor's correct taxpayer identification number; and (2) a certification that such investor (a) is exempt from backup withholding, (b) has not been notified by the IRS that it is subject to backup withholding, or (c) has been notified by the IRS that it is no longer subject to backup withholding.

If an investor does not provide its correct taxpayer identification number on the IRS Form W-9 or substantially similar form, such investor may be subject to penalties imposed by the IRS. Backup withholding does not apply to payments made to certain holders, provided their exemptions from backup withholding are properly established. Amounts withheld are generally not an additional tax and may be refunded or credited against an investor's federal income tax liability if such investor furnishes the required information to the IRS. The amount of any "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to those payments will be reported to the U.S. holders of Series 2017 Notes and to the IRS.

State and Local Taxation

Purchase, ownership and disposition of a Series 2017 Note may result in state and local tax consequences to certain prospective purchasers. Prospective purchasers of the Series 2017 Notes should consult their own tax advisors concerning any specific state and local tax consequences.

LITIGATION

To the knowledge of the Obligated Group, there is no controversy or litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Notes, or in any way contesting or affecting the validity of the Series 2017 Notes or any proceedings of the Obligated Group taken with respect to the issuance or sale thereof. There is no litigation pending which in any manner questions the right of the Obligated Group to enter into or perform the Master Indenture or to issue the Series 2017 Notes.

In addition, except as disclosed in APPENDIX A to this Offering Memorandum under the caption "LITIGATION", there is no controversy or litigation of any nature against a Member of the Obligated Group, including any malpractice claim, now pending or, to the knowledge of such Member, threatened which, in the opinion of the affected Member of the Obligated Group, would have a material adverse impact on the financial condition of the Obligated Group.

LEGAL MATTERS

The authorization and issuance of the Series 2017 Notes are subject to the approval of legality by Chapman and Cutler LLP, Chicago Illinois, and Saxon & Fink, LLP, Coral Gables, Florida. Certain legal matters will be passed upon for the Underwriter by its counsel, Balch & Bingham LLP, Birmingham, Alabama.

RATINGS

Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "AA-" to the Series 2017 Notes, and Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Series 2017 Notes. Both ratings will be based on an assessment by the respective rating agency of the Obligated Group's ability to make payments on the Series 2017 Notes. The ratings and an explanation of their significance may be obtained from the rating agency furnishing such rating. Such ratings reflect only the respective views of the rating agencies.

The Obligated Group has furnished the rating agencies with certain information and material relating to the Series 2017 Notes, BHSF and the Obligated Group that have not been included in this Offering Memorandum. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Neither the Underwriter nor the Members of the Obligated Group have undertaken any responsibility to bring to the attention of the holders of the Series 2017 Notes any proposed revision or withdrawal of the rating of the Series 2017 Notes or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price for and marketability of the Series 2017 Notes.

UNDERWRITING

The Series 2017 Notes are being purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Series 2017 Notes at an aggregate purchase price of $248,460,000.00, pursuant to a Note Purchase Agreement between the Obligated Group and the Underwriter. The aggregate purchase price reflects an Underwriter's discount of $1,540,000.00. The Underwriter may offer and sell the Series 2017 Notes to certain dealers (including dealers depositing such Series 2017 Notes into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The Underwriter will purchase all of the Series 2017 Notes if any are purchased, and the Obligated Group will indemnify the Underwriter against losses, claims, damages and liabilities arising out of any materially incorrect statements or information, including the omission of material facts pertaining to the Obligated Group and other matters contained in this Offering Memorandum. The public offering prices set forth on the cover page hereof may be changed after the initial offering by the Underwriter.

The Underwriter intends to offer the Series 2017 Notes to the public initially at the prices set forth on the inside cover page of this Offering Memorandum, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2017 Notes to the public. The Underwriter may offer and sell the Series 2017 Notes to certain dealers at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Series 2017 Notes offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Obligated Group, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Obligated Group.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The principal office of the Underwriter is One Bryant Park, 12th Floor, New York, New York 10036.

INDEPENDENT AUDITORS

The consolidated financial statements of BHSF and Affiliates as of and for the years ended September 30, 2016 and 2015 included in APPENDIX B to this Offering Memorandum have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report therein.

MISCELLANEOUS

The references herein to the Master Indenture, the Series 2017 Notes and the Restated Master Indenture are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions reference is made to the Master Indenture, the form of the Series 2017 Notes set forth in the Third Supplemental Master Indenture and the form of the proposed Restated Master Indenture included as APPENDIX E hereto. APPENDIX C includes a copy of the Original Master Indenture, as executed and delivered, and the proposed form of the Third Supplemental Master Indenture.

The Offering Memorandum has been approved by the Obligated Group.

BAPTIST HEALTH SOUTH FLORIDA, INC.,
as Agent for the Obligated Group

By: s/ Ralph E. Lawson
Its Executive Vice President and
Chief Financial Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

CERTAIN INFORMATION CONCERNING
BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

Page

BAPTIST HEALTH SOUTH FLORIDA, INC. 1
- Overview 1
- The Obligated Group 2
- Governance of BHSF 2

BHSF HOSPITALS, BOS AND OTHER AFFILIATED ORGANIZATIONS 3
- Hospital Facilities 3
- Historical Utilization 4
- Sources of Payment 5
- Medical Staff 5
- Medical Staff Development 6
- Key Services and Programs 7
- Other Services 10

BHSF SYSTEM FACILITIES 11
- Baptist Hospital 11
- South Miami Hospital 13
- Doctors Hospital 15
- Homestead Hospital 15
- Mariners Hospital 16
- West Kendall Baptist Hospital 17
- Baptist Outpatient Services ("BOS") 18
- Affiliation, Merger and System Development Activity 18
- Accreditations, Memberships and Affiliations 19
- Awards received within BOS 23
- Recognition 23
- Other Affiliated Organizations Not Members of the Obligated Group 25

GOVERNANCE AND MANAGEMENT 27
- Board of Trustees 27
- Conflicts of Interest 29
- Centralized Business Functions, Treasury and Financial Management 29
- Investment Policy 30
- BHSF Management 30

MARKET INFORMATION 37
- Service Area Characteristics 37
- Population 37
- Household Income 39
- Miami-Dade County Economic Indicators 39
- Employers 39
- Competing Miami-Dade County Hospitals 40
- Market Share 43
- Affiliations with Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs) 45

DEBT STRUCTURE OF OBLIGATED GROUP 46
- Outstanding Debt 46
- Security for Payment of Outstanding Debt 46
- Debt of Non-Obligated Affiliates 46
- Guarantees 47
- Hedge Agreements 47
- Anticipated Debt 47
- Operating Leases 47
- Annual Debt Service Requirements 47

FINANCIAL INFORMATION FOR THE OBLIGATED GROUP....49
Effect of Consolidation....52

MANAGEMENT'S DISCUSSION OF OPERATIONS....53
General....53
Results of Operations....53

EMPLOYEE RELATIONS....55
Retirement Plan....56

COMPREHENSIVE RISK MANAGEMENT PROGRAM....56
Liability and Property Coverage....56
Climate Change and Severe Weather....57

LITIGATION....57

COMPLIANCE PROGRAM....57

Table 1. Summary of Organization and Role of Obligated Group Members and Non-Obligated Affiliates....1
Table 2. BHSF Hospitals....3
Table 3. Historical Utilization....4
Table 4. Sources of Payment for Services....5
Table 5. Members of Board of Trustees....28
Table 6. Population Data....37
Table 7. Actual Age Distribution: 2016....38
Table 8. Projected Age Distribution: 2021....38
Table 9. Household Income....39
Table 10. Top 10 Employers....40
Table 11. Map of Competing Hospitals....41
Table 12. Inpatient Market Share Data....44
Table 13. Pro Forma Debt of BHSF and Affiliates....46
Table 14. Annual Debt Service Requirements on Debt....48
Table 15. Baptist Health South Florida, Inc. and Affiliates Consolidated Statements of Operations....50
Table 16. Baptist Health South Florida, Inc. and Affiliates Consolidated Balance Sheets....51
Table 17. Financial Ratios....52

Overview

Table 1.
Summary of Organization and Role of Obligated Group Members and Non-Obligated Affiliates

BHSF System Affiliates

Baptist Health South Florida, Inc. ("BHSF")
("Parent organization" and Member of Obligated Group)

Other Obligated Group Members

Baptist Hospital of Miami, Inc. ("Baptist Hospital")
Operates 728-bed Baptist Hospital and related outpatient facilities, located in Miami, Florida

South Miami Hospital, Inc. ("South Miami Hospital")
Operates 453-bed South Miami Hospital and related outpatient facilities, located in South Miami, Florida

Homestead Hospital, Inc. ("Homestead Hospital")
Operates 142-bed Homestead Hospital and related outpatient facilities, located in Homestead, Florida

Mariners Hospital, Inc. ("Mariners Hospital")
Operates 25-bed Mariners Hospital and related outpatient facilities, located in Tavernier, Florida

Doctors Hospital, Inc. ("Doctors Hospital")
Operates 281-bed Doctors Hospital and related outpatient facilities, located in Coral Gables, Florida

West Kendall Baptist Hospital, Inc. ("West Kendall Baptist Hospital")
Operates 133-bed West Kendall Baptist Hospital located in Miami, Florida

Baptist Outpatient Services, Inc. ("BOS")
Operates outpatient diagnostic centers and urgent care centers at various locations in Miami-Dade County and Broward County, Florida

Non-Obligated Affiliates

Baptist Health South Florida Foundation, Inc. ("Foundation" – not-for-profit)
Fundraising entity for BHSF and affiliates

Baptist Health Medical Group, Inc. ("BHMG" – not-for-profit)
The sole member of various physician practices that provide medical services to various BHSF affiliates

Miami Cancer Institute At Baptist Health, Inc. ("MCI" or "Miami Cancer Institute" – not-for-profit)
Provides oncology support and management services to various BHSF affiliates

Baptist Health Enterprises, Inc. ("BHE" – for-profit)
Conducts for-profit healthcare activities of System and owns partnership interests and stock in separate entities conducting for-profit healthcare activities

Pineapple Insurance Company ("Pineapple" – for-profit)
Captive insurance company to facilitate professional and general liability self-insurance program

Samaritan Risk Retention Group ("Samaritan" – for-profit)
Captive mutual insurance company providing professional liability insurance for medical staff physicians

Note: All Obligated Group Members, the Foundation, BHMG and MCI are Florida not-for-profit corporations and 501(c)(3) organizations under the Internal Revenue Code of 1986, as amended. The other System affiliates identified in this chart are for-profit entities.

Baptist Health South Florida, Inc. ("BHSF"), a not-for-profit Florida corporation located in Miami-Dade County, Florida, is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. BHSF is the parent of a system of not-for-profit hospitals and other not-for-profit and for-profit corporations (the "BHSF System"), the most significant of which are shown in the organizational chart on the previous page. BHSF was organized for the express purpose of providing quality healthcare services on a cost-effective and integrated basis within the areas served by the hospitals and other healthcare affiliates comprising the BHSF System. BHSF's corporate office is located at 6855 Red Road, Suite 600, Miami, Florida 33143-7361.

The hospitals included in the BHSF System are Baptist Hospital of Miami, Inc. ("Baptist Hospital"), South Miami Hospital, Inc. ("South Miami Hospital"), Doctors Hospital, Inc. ("Doctors Hospital"), Homestead Hospital, Inc. ("Homestead Hospital") and West Kendall Baptist Hospital, Inc. ("West Kendall Baptist Hospital"), all located in south Miami-Dade County, Florida, and Mariners Hospital, Inc. ("Mariners Hospital") located in Monroe County, Florida (collectively, the "BHSF hospitals"). The BHSF System also includes Baptist Outpatient Services, Inc. ("BOS"), a not-for-profit Florida corporation, which operates outpatient diagnostic centers, including urgent care services at various sites throughout Miami-Dade County and Broward County; Miami Cancer Institute At Baptist Health, Inc. ("MCI" or "Miami Cancer Institute") which provides oncology support and management services to various BHSF affiliates; Baptist Health South Florida Foundation, Inc. (the "Foundation"), a not-for-profit Florida corporation, whose purpose is to raise funds for BHSF, the BHSF hospitals, BOS and MCI; Baptist Health Enterprises, Inc. ("BHE"), a for-profit Florida corporation that is wholly owned by BHSF; various subsidiary corporations of BHE and partnership interests of BHE as described below; Pineapple Insurance Company, a single-parent, Cayman Islands captive insurance company, formed to facilitate BHSF's professional and general liability insurance, self-insurance and property insurance programs; Samaritan Risk Retention Group, a captive mutual insurance company, organized under the laws of South Carolina to provide professional liability insurance to physicians who meet the company's underwriting requirements, are Florida-licensed practicing physicians and have privileges to treat patients at BHSF facilities; and Baptist Health Medical Group, Inc. ("BHMG"), which owns physician practices and provides physician services in a variety of medical specialties, including neurosurgery, cardiothoracic surgery, orthopedics, general surgery, and hospitalists.

In October 2015, BHSF and Bethesda Health, Boynton Beach, an organization comprised of two not-for-profit hospitals and other related entities in Palm Beach County, Florida, signed an agreement to merge, pursuant to a 24-month transition period culminating on September 30, 2017. During the transition period, both organizations will collaborate to enhance effectiveness in their operations and share best practices to address the ongoing evolution of the healthcare industry. Full affiliation is scheduled to occur on October 1, 2017, subject to compliance with contractual provisions and regulatory requirements. See "BHSF FACILITIES—Affiliation, Merger and System Development Activity".

In November 2016, BHSF and Fishermen's Community Hospital, a critical access hospital in Monroe County, Florida, signed a letter of intent to explore a potential affiliation between the two organizations. The two organizations are working toward a definitive agreement, and affiliation is possible in or prior to fiscal year 2018.

In November 2016, subsidiaries of BHE entered into joint venture agreements related to two single-specialty ambulatory surgical centers. The transactions are expected to close in January 2017.

The Obligated Group

BHSF, Baptist Hospital, South Miami Hospital, Doctors Hospital, Homestead Hospital, Mariners Hospital, West Kendall Baptist Hospital and BOS are currently the only Members of the Obligated Group, in accordance with the terms of the Master Indenture. The Obligated Group represents approximately 88% of revenues, 94% of total assets and 130% of income available for debt service of the BHSF System.

Governance of BHSF

BHSF is the controlling entity of the BHSF System. The reserved rights and powers that BHSF has over the affiliate corporations comprising the BHSF System include the following: (i) approval of purchase, sale, transfer, mortgage, or encumbrance of real property and the right to pledge assets to secure indebtedness; (ii) zoning and master facility matters; (iii) approval of construction projects; (iv) development and implementation of personnel policies, employee benefit plans, executive compensation, and health insurance plans; (v) insurance and risk management matters; (vi) audit and compliance functions; (vii) development of budgets; (viii) management and oversight of financial operations and policies, including but not limited to, investment policies, indebtedness, financial controls and long-range financial planning; (ix) development and implementation of all strategic and facility long-range plans; (x) data processing and information systems; (xi) public relations and marketing; (xii) legal services; (xiii) charity care and community service programs; (xiv) negotiation of all managed care and third-party payor agreements; and (xv) development and implementation of management policies and other policies.

In addition, the Board of Trustees of BHSF has the right to remove members of the Board of Directors of the corporations comprising the BHSF System and has the right to amend the Articles of Incorporation and Bylaws of the corporations comprising the BHSF System. BHSF is the sole shareholder of BHE and has such additional rights and powers as are granted to shareholders under Florida law.

The Articles of Incorporation of the affiliate corporations require that such corporations maintain management agreements with BHSF. Under these management agreements, BHSF employs and appoints the Chief Executive Officer and the Senior Financial Officer of each of the BHSF hospitals and other corporations comprising the BHSF System who manage and supervise all other officers and employees of such BHSF hospital or affiliate, and together with the BHSF Board of Trustees, have all powers which are usual and customary for such officers, including the right to hire employees, the right to determine compensation and benefit levels of employees, the right to designate job tasks and responsibilities, and the right to terminate employment. The management agreements may not be terminated without the written consent of BHSF.

The primary mission of the BHSF System is to improve the health and well-being of individuals in the communities it serves. This is accomplished through the provision of a broad spectrum of health services with a balance among inpatient, outpatient and home-based care, and among prevention, diagnostic, treatment and rehabilitation as the system facilities continue to assure the availability of high-quality, technologically advanced clinical services and facilities based on a sound fiscal foundation.

BHSF HOSPITALS, BOS AND OTHER AFFILIATED ORGANIZATIONS

Hospital Facilities

The following table reflects descriptive information concerning the BHSF hospitals.

Table 2.
BHSF Hospitals

Hospital	Location	Licensed Beds*	Staffed Beds*	Approximate % of Net Patient Revenue from BHSF Hospitals for the fiscal year ended September 30, 2016
Baptist Hospital	Miami, FL	728	720	43%
South Miami Hospital	South Miami, FL	453	336	25
Doctors Hospital	Coral Gables, FL	281	126	10
Homestead Hospital	Homestead, FL	142	142	9
West Kendall Baptist Hospital	West Kendall, FL	133	133	10
Mariners Hospital	Tavernier, FL	25	25	3
Total		1,762	1,482	100%

Source: Agency for Healthcare Administration (AHCA), BHSF Finance

*As of September 30, 2016

Historical Utilization

The following table contains operating statistics for the BHSF hospitals, BOS and the BHSF System. (See "MANAGEMENT'S DISCUSSION OF OPERATIONS—Results of Operations" herein):

Table 3.
Historical Utilization

	Fiscal Year Ended September 30,		
	2014	**2015**	**2016**
BHSF Hospitals:			
Licensed beds	1,713	1,761	1,762
Average staffed acute beds	1,482	1,493	1,509
Admissions	73,791	75,440	74,362
Patient days	356,366	364,469	366,494
Observation Stays	32,996	35,098	40,131
Average length of stay (in days)	4.83	4.83	4.93
Average length of stay (acuity adjusted)	3.40	3.40	3.29
Occupancy % (staffed beds)	65.9%	66.9%	66.4%
Emergency room visits	328,974	346,093	356,262
Urgent care center visits	261,617	289,907	300,686
Inpatient surgeries	16,322	15,867	15,706
Outpatient surgeries (1)	21,450	20,223	20,879
Outpatient revenue as % of gross patient revenue	42.7%	43.1%	50.1%
Case Mix Index (all hospitals)	1.4215	1.4203	1.4981
BOS:			
Registrations	142,250	145,015	150,895
Procedures	192,656	210,139	218,563
BHSF and Affiliates:			
Adjusted admissions (2)	141,487	149,011	150,198

Source: BHSF Records

Note (1): System-wide outpatient surgery cases, which include cases at consolidated joint venture ambulatory surgery centers which are not part of the Obligated Group, were 60,522 in 2016, 51,828 in 2015, and 51,119 in 2014.

Note (2): Adjusted admissions are calculated by multiplying inpatient admissions by an adjustment factor. The adjustment factor is the ratio of total gross revenue to gross inpatient revenue and is used to transform all of a hospital's revenue-generating patient care activities into units expressed in terms of inpatient acute care services.

Sources of Payment

The following tables contain the sources of payment for services provided by the BHSF hospitals and BOS for the time periods indicated below:

Table 4.
Sources of Payment for Services

	Percent of Gross Revenue		
	Fiscal Year Ended September 30,		
	2014	**2015**	**2016**
BHSF Hospitals:			
Medicare	22%	21%	21%
Medicare managed care	19%	20%	21%
Medicaid	11%	4%	4%
Medicaid managed care	5%	10%	11%
Commercial managed care	32%	34%	33%
Self-pay and other	11%	11%	10%
Total	100%	100%	100%

	Percent of Gross Revenue		
	Fiscal Year Ended September 30,		
	2014	**2015**	**2016**
Baptist Outpatient Services:			
Medicare	18%	19%	18%
Medicare managed care	17%	18%	19%
Medicaid	3%		
Medicaid managed care		1%	1%
Commercial managed care	58%	58%	58%
Self-pay and other	4%	4%	4%
Total	100%	100%	100%

Source: BHSF Records

Medical Staff

Each of the BHSF hospitals has its own medical staff. Taking into consideration physicians with Active, Associate, Consulting, Courtesy, Senior Active and Provisional status, the medical staffs of Baptist Hospital, South Miami Hospital, Doctors Hospital, Homestead Hospital, Mariners Hospital and West Kendall Baptist Hospital are comprised of 1,062 physicians, 959 physicians, 653 physicians, 339 physicians, 144 physicians and 538 physicians, respectively as of September 30, 2016 Physicians are permitted to have privileges at more than one of the BHSF hospitals. In such cases, the physician is counted as a member of the medical staff of each hospital. Significant overlap exists among the medical staffs of the BHSF hospitals, particularly between Baptist Hospital and South Miami Hospital. Approximately 27% of the physicians with privileges at Baptist Hospital and South Miami Hospital are on the medical staffs of both hospitals. Approximately 59% of the physicians on the medical staffs of Doctors Hospital, Homestead Hospital or Mariners Hospital, also are on the medical staffs of at least one other BHSF hospital. Approximately 73% of the physicians on the medical staff at West Kendall Baptist Hospital hold staff membership at one or more of the BHSF hospitals.

Of the 1,062 physicians who make up the Baptist Hospital medical staff, approximately 92% are Board certified. The average age of the medical staff is 50 years, and 21% of the physicians are over age 60. Eighteen percent of the medical staff who admitted patients to Baptist Hospital in fiscal year 2016 generated 80% of its inpatient discharges. Internal Medicine, Obstetrics/Gynecology, Pediatrics and Family Practice are the largest admitting specialties. Combined, these specialties accounted for approximately 80% of the inpatient discharges at Baptist Hospital in fiscal year 2016. Other high-volume specialties include gynecology, general surgery and orthopedic surgery.

Of the 959 physicians who make up the South Miami Hospital medical staff, approximately 88% are Board Certified. The average age of the medical staff is 50 years, and 21% of the physicians are over age 60. Seventeen percent of the medical staff who admitted patients to South Miami Hospital in fiscal year 2016 generated 80% of its inpatient discharges. Internal Medicine, Obstetrics/Gynecology, Family Practice, Neonatology and General Surgery are the largest admitting specialties. Combined, these specialties accounted for 83% of South Miami Hospital's inpatient discharges in fiscal year 2016. Other high-volume specialties include Gynecology and Cardiovascular.

Of the 653 physicians on the Doctors Hospital medical staff, approximately 85% are Board Certified. The average age of Doctors Hospital physicians is 53 years, and 27% are over age 60. Twenty-one percent of the medical staff who admitted patients to Doctors Hospital generated 79% of its inpatient discharges in fiscal year 2016. Internal Medicine, Family Practice, and Nephrology are the largest admitting specialties. Combined, these specialties accounted for 80% of Doctors Hospital's inpatient discharges in fiscal year 2016. Other high-volume specialties include Orthopedic Surgery, Gynecologic Oncology and General Surgery.

Of the 339 physicians who make up the Homestead Hospital medical staff, approximately 84% are Board Certified. The average age of the medical staff is 50 years, and 17% are over age 60. Fourteen percent of the medical staff who admitted patients to Homestead Hospital in fiscal year 2016 generated 87% of its inpatient discharges. Internal Medicine, Obstetrics/Gynecology and Family Practice are the largest admitting specialties, accounting for 87% of Homestead Hospital's inpatient discharges in fiscal year 2016.

Of the 144 physicians on the Mariners Hospital medical staff, approximately 98% are Board Certified. The average age of Mariners Hospital physicians is 52 years, and 25% are over age 60. Internal Medicine is the most significant admitting specialty, generating approximately 83% of Mariners Hospital's fiscal year 2016 inpatient discharges.

Of the 538 physicians who make up the West Kendall Baptist Hospital medical staff, approximately 93% are Board Certified. The average age of the medical staff is 47 years, and 12% of the physicians are over age 60. Seventeen percent of the medical staff who admitted patients to West Kendall Baptist Hospital in fiscal year 2016 generated 80% of its inpatient discharges. Hospitalists are the largest admitting specialty, admitting 72% of all inpatients. Combined with Obstetrics and Gynecology (11%) and Neonatology (9%), these specialties accounted for approximately 92% of the inpatient discharges at West Kendall Baptist Hospital in fiscal year 2016. Other high-volume specialties include colorectal surgery (3%) and general surgery (2%).

Medical Staff Development

Under the direction of BHSF management, medical staff development plans are periodically undertaken to identify community needs by physician specialty in alignment with the strategic direction for each BHSF hospital. Current physician supply and projected future demand analyses are performed for Miami-Dade County, as a whole, as well as the primary service area of each BHSF Hospital, to quantitatively identify areas of opportunity within particular medical specialties. Medical staff development analyses are initially performed for the BHSF System and then applied to a particular BHSF hospital's primary service area, in an effort to not only identify the appropriate specialty need but also to avoid the potential for duplication of strategy across multiple BHSF facilities.

Based upon the most recent needs assessment, Baptist Hospital's medical staff development is focused on cardiac, vascular and thoracic surgery, neurosurgery, pediatric subspecialties and general surgery. South Miami Hospital is focusing its medical staff development on a variety of specialties, including obstetrics and gynecology, general surgery, oncology, urology and pulmonology. Doctors Hospital continues to focus its medical staff development on orthopedics, including specialization in sports medicine, total joint replacements, foot and ankle

surgery, back and spine surgery, and hand surgery. Homestead Hospital and Mariners Hospital have each focused recruitment efforts on family practice and internal medicine physicians, as well as general and orthopedic surgeons. West Kendall Baptist Hospital's medical staff development is focused on general and colon and rectal surgery, orthopedic surgery and women's services, as well as recruiting, training and retaining family medicine physicians to serve the South Florida community. This commitment to primary care is highlighted by West Kendall Baptist Hospital's academic affiliation with Florida International University's Herbert Wertheim College of Medicine to launch the hospital's ACGME-accredited Family Medicine residency program. In addition, the BHSF System's entire primary service area demonstrated a need for additional family practice and internal medicine physicians.

Continuing its commitment to deliver needed physician services to the populations it serves, BHSF has employed 196 physicians to practice in a variety of specialties and settings such as primary care, general medicine, surgery, oncology, and as hospitalists in the various BHSF hospitals.

Key Services and Programs

The BHSF System provides a comprehensive continuum of services, either through its own programs, or in cooperation with other affiliated hospitals and healthcare providers. The BHSF System's health care programs and services include the following:

Miami Cardiac & Vascular Institute. Miami Cardiac & Vascular Institute ("MCVI") is a multidisciplinary center of excellence with locations throughout Baptist Health South Florida. MCVI's distinctive perspective on treating the arteries, veins and heart as one integrated system has helped establish it as a premier cardiac and vascular healthcare destination, with approximately 90,000 visits in fiscal year 2016. MCVI offers a full range of advanced services for the diagnosis and treatment of heart and circulatory diseases. In addition to employing traditional approaches, such as balloon angioplasty and open heart surgery, MCVI medical staff has pioneered the development and use of minimally invasive techniques to repair abdominal aortic and thoracic aneurysms, correct structural defects of the heart, repair and replace heart valves, and restore blood flow to blocked arteries with stents throughout the body. MCVI's ongoing clinical research includes the use throughout the body of stents and stent grafts to enhance blood flow through damaged vessels. MCVI has a fully-dedicated cardiac and vascular magnetic resonance imaging system ("MRI"), to provide leading-edge, noninvasive diagnostic and angiography capabilities, and an interventional neuroradiology bi-plane angiography suite to apply the latest catheter-based interventional techniques to blood vessels within the brain. MCVI also offers personalized education and rehabilitation services to help manage existing conditions and to prevent cardiovascular disease.

MCVI adheres to quality standards established by the American College of Cardiology, Society of Interventional Radiology, American College of Radiology, Society for Vascular Surgery and Society of Thoracic Surgery.

MCVI was established in 1987 under the leadership of Barry T. Katzen, M.D. Dr. Katzen is the recipient of the Cardiovascular and Radiological Society of Europe's Gold Medal award for his groundbreaking work in interventional radiology, including the use of stents for propping open major blood vessels outside the heart. Dr. Katzen has the distinction of being the first American to earn the Cardiovascular and Radiological Society of Europe's top honor.

MCVI has more than 75 physicians who represent nine specialties and have met stringent requirements for ongoing medical education, training and research. Each year, MCVI hosts the International Symposium on Endovascular Therapy, with more than 2,000 cardiovascular specialists in attendance.

MCVI is managed by Miami Cardiac & Vascular Institute Management Company, LLC, a Florida limited liability corporation. BHSF has a 50% interest in Miami Cardiac & Vascular Institute Management Company, LLC, which was formed to provide management services to MCVI in order to improve clinical performance and achieve operational efficiency. The remaining 50% interest is owned by individual participating physician members with privileges at BHSF facilities.

Miami Cancer Institute. Miami Cancer Institute At Baptist Health, Inc. ("MCI") is a clinical center and research destination, offering comprehensive cancer services with expanding clinical trials and state-of-the-art

technology, including the first proton therapy installation in South Florida, Latin America, and the Caribbean. MCI is the oncology center of excellence offering a full range of oncology services, including all four of the medically approved modes of cancer care: radiation therapy, chemotherapy, surgery and biotherapy. MCI provides services across the BHSF System and will be opening a new "state-of-the-art" outpatient center in January 2017 on the Baptist Hospital campus. MCI offers patients a world-class array of advanced treatment options, including proton therapy, radiosurgery, intraoperative MRI and CT scanners and robotic surgery.

Each year, the highly skilled healthcare professionals at MCI treat more than 5,000 adults and children with cancer. Patients rely on MCI for comprehensive, compassionate cancer care with specific multi-disciplinary tumor site focus, such as the care provided through the Baptist Health Breast Center. MCI has the sophisticated technologies needed for accurate, early diagnosis and provides a variety of treatments in outpatient and inpatient settings. Select hospitals are accredited with commendation as network cancer programs by the Commission on Cancer of the American College of Surgeons.

MCI is also an alliance partner with Memorial Sloan Kettering Cancer Center ("MSK"), one of the leading academic centers in the world, which ensures that resources, capabilities, and standards of care are in line with the highest and most recent standards of the MSK Cancer Alliance. Central to the MSK Cancer Alliance is creating a strong foundation and system for the expansion of clinical trials and utilizing cutting-edge translational research and genomic medicine to provide MCI patients with the opportunity to participate in clinical trials not previously available in South Florida.

MCI offers the most technologically advanced radiation therapy, including the sophisticated treatments at the proton therapy center that can precisely target cancer cells with pinpoint precision while sparing healthy tissue. Using image guided radiation therapy ("IGRT") where radiographic images are taken during each treatment session and the treatment is modified simultaneously, allowing for more precise radiation delivery. This precision results in destruction of more tumors, fewer side effects and improved outcomes. TomoTherapy combines an advanced form of intensity modulated radiation therapy ("IMRT") with the accuracy of CT scanning in one unit. This allows for more convenient treatment planning for the patient, as well as more precise radiation delivery, which reduces radiation exposure to healthy tissues. MCI also offers conformal radiation therapy, ultrasound-guided conformal radiation therapy, IMRT, intra operative radiation therapy and brachytherapy, in which cancer-killing radioactive material is placed in or near the tumor itself, as well as Gamma Knife and CyberKnife technologies for precision-guided treatment. The Miami Cancer Institute will also include the first proton therapy center in South Florida. Proton therapy is anticipated to be available in fiscal year 2018.

High-end imaging including PET/CT scanning, which dramatically increases the ability to diagnose and treat cancer, is available through MCI. Combining the capability of high-quality positron emission tomography ("PET") and computed tomography ("CT"), the PET/CT scanner allows physicians to make a diagnosis based on both the physical location and biochemistry of a tumor.

Support services for MCI include specially trained oncology social workers and pastoral care staff. Free support groups are offered for survivorship and for those with breast cancer, prostate cancer, oral, and head or neck cancer. Outreach efforts include smoking cessation programs, free health fairs, screenings, education and programs observing Breast Cancer Awareness Month and National Cancer Survivors Day.

Miami Orthopedics & Sports Medicine Institute (MOSMI). With its board-certified, fellowship-trained orthopedic surgeons, state-of-the-art technology, and comprehensive rehabilitation services, MOSMI is one of the most active sports medicine orthopedic programs in the United States. Anchored at Doctors Hospital, MOSMI is the official sports medicine provider for the Miami Dolphins, Miami Heat, Florida Panthers, Florida International University and the FedEx Orange Bowl. MOSMI's orthopedic physicians are also the team physicians for the Miami Dolphins, Miami Heat, Florida Panthers, Tampa Bay Buccaneers, Florida International University, the Miami City Ballet, the Miami Open Tennis Tournament, the Doral Golf Open and the Miami-Dade Public High School Sports Medicine Programs, and have faculty appointments at the University of Miami School of Medicine and Florida International University College of Medicine. MOSMI surgeons have published numerous articles about new techniques they have developed to repair knee, shoulder, ankle and elbow injuries.

Women's Health Services. A wide range of services for the special health needs of women are offered throughout the BHSF System. These range from maternity and newborn services to diagnostic testing, health education and wellness. BHSF System hospitals provide family-centered maternity care for the more than 10,000 babies born at Baptist Hospital, South Miami Hospital, Homestead Hospital, and West Kendall Baptist Hospital each year. For the past three years, over 35% of all babies born in Miami-Dade County were delivered in a BHSF System hospital. Over 100 Obstetrics/Gynecology Board Certified specialists use the BHSF hospitals for their obstetric and gynecological patients. The BHSF System offers a full spectrum of maternity care options, including labor-delivery-recovery and labor-delivery-recovery-postpartum rooms, and is equipped to handle high-risk mothers and births, including babies who are premature or ill. Baptist Hospital and South Miami Hospital each have a Level II Neonatal Intensive Care Unit ("NICU") and a Level III NICU. Neonatologists are on duty 24 hours a day at both Baptist Hospital and South Miami Hospital.

Women's diagnostic testing services are available at a number of hospital and outpatient locations throughout the BHSF System. The BHSF System performed over 62,300 mammographies and 2,250 core biopsies in fiscal year 2016 at multiple sites across Miami-Dade and Broward counties. Bone densitometry to detect osteoporosis is also offered, as are ultrasound studies for pregnancy, breast cancer and gynecological issues. The Baptist Health Breast Center offers comprehensive diagnoses as well as both surgical and non-surgical treatment options to address breast health issues. The BHSF System also offers the diagnostic work sometimes needed for infertility, and the Bladder Diagnostic Lab helps pinpoint the cause of urological problems, including incontinence.

With a focus on women's health education and wellness issues, the Women's Health Resource Center, located on the Baptist Hospital campus, offers information, videos, internet access, educational classes and support groups. Classes and support groups are offered on a variety of women's health topics from breast health to menopause and fertility. The Women's Health Resource Center also provides assistance with physician referrals.

Surgical Services. Surgical procedures performed in the BHSF System hospitals and ambulatory surgery centers range from the highly complex, such as open heart and brain surgery, to the minimally invasive such as arthroscopic knee surgery. Over 36,500 inpatient and outpatient surgeries were performed in the BHSF System hospitals in fiscal year 2016. Recent additions to the BHSF System hospitals' comprehensive surgical services and advanced surgical techniques include complex pediatric surgery, highly specialized retinal surgery and robotic surgery that provides a minimally invasive approach for the treatment of lung, gynecological, and prostate cancer. Baptist Hospital, South Miami Hospital, Doctors Hospital, and West Kendall Baptist Hospital all have the Intuitive (da Vinci) robotic surgical system, which allows surgeons to operate using 3-D virtual reality. Baptist Hospital recently installed an intraoperative magnetic resonance imaging (iMRI) device for use during brain surgery. In the first and only operative suite in Miami-Dade with iMRI, Baptist Health surgeons are now able to take real-time high resolution images of the brain in the operating room during surgery. The technology allows surgeons to avoid areas of the brain controlling essential functions and identify as much unhealthy tissue as possible the first time, thus decreasing the need for additional operations. iMRI represents the latest advancement in image guided surgery, something Baptist Hospital was among the first in South Florida to offer for neurosurgery, otolaryngology and orthopedics. Image-guided surgery helps track the exact position of surgical instruments on a computer monitor, allowing physicians to treat previously inoperable or hard to reach areas. The result is increased accuracy and precision, improved patient safety, smaller incisions and quicker recoveries.

Clinical Imaging Services. The BHSF System has the latest diagnostic imaging equipment, such as MRI, Spiral CT, CT, PET and combination PET/CT. Also provided are general nuclear medicine imaging, complete women's imaging services (digital mammography, ultrasound, bone density and breast biopsy), comprehensive cardiovascular testing and an urodynamics lab for urinary incontinence. Clinical imaging services for emergency, inpatient and outpatient care are provided at all BHSF hospitals. Outpatient diagnostic and imaging services are also offered by BOS at the Baptist Outpatient Center on the Baptist Hospital campus, Baptist Diagnostic Center on the West Kendall Hospital campus and at twelve of the Baptist Health Medical Plaza locations throughout Miami-Dade and Broward Counties. The Baptist Health Medical Plaza at Country Walk specializes in imaging services for pediatric patients.

International Services. Patients from over 100 countries have chosen the BHSF System as their health care provider. The multilingual representatives in BHSF's International Services program are available 24 hours a day and coordinate every aspect of patient care, including arrangements for medical services, diagnostic testing and

inpatient care; travel arrangements, such as air and ground ambulance; accommodations for the patient and family; and financial services.

A VIP service offered by BHSF's International Services, provides a comprehensive one-day physical examination, including medical history, laboratory tests, electrocardiogram, chest X-ray, hearing and visual acuity tests, tuberculosis screening and physical examination by a Board certified physician.

Center of Excellence in Nursing. Initially developed at Baptist Hospital in 1988 by nurses who wanted to encourage and recognize innovative patient care, the program today has expanded to become the Baptist Health Center of Excellence in Nursing, covering all BHSF hospitals and facilities. In an effort to proactively address the shortage of nursing professionals, BHSF offers partial scholarships for nursing through partnerships with Barry University, Nova Southeastern University, and Miami-Dade College, in addition to establishing two on-site nursing programs on the Baptist Hospital campus. These include nursing education, scholarships and retention, technology and hospital-specific needs. To date, more than 3,600 students have been enrolled in the scholarship program for a total of more than $36,879,000. Currently, undergraduate students are required to remain employed full-time at a BHSF System facility for at least four years after graduation. Graduate students are required to remain employed full-time by BHSF for five years.

Other Services

Outpatient Multi-disciplinary Services. Several medical arts buildings will open soon in the service area that will provide improved access to the BHSF System's multi-disciplinary care. A 35,000-square-foot facility in Pinecrest is expected to open in early 2017, and a 65,000-square-foot facility is scheduled to open in Miami Beach in 2018. These facilities will provide a multitude of services ranging from physician offices, physical therapy, endoscopies, diagnostic imaging, and/or urgent care, including satellite services provided by BHSF's Centers of Excellence. A larger facility (approximately 100,000 square feet) is currently being planned for Central Broward County, with services to include physician offices (primary care, specialists and a spine clinic), urgent care, diagnostic imaging, physical therapy, and a multi-specialty ambulatory surgery center. To further expand access to Miami Cancer Institute in Broward County, certain select oncological services being planned for this facility include chemotherapy, radiation therapy and medical oncology offices.

Senior Services. The department of Senior Services addresses the special needs of men and women age 55 and over. Senior Services functions as an important source of information and assistance for seniors, and includes a series of bilingual programs and lectures on topics such as medical care, improving memory, personal improvement and financial matters.

Sleep Disorders. People with sleep disorders can undergo diagnostic testing at the sleep diagnostic centers at Baptist, South Miami, Homestead and Mariners hospitals. The BHSF System free-standing outpatient sleep centers include Baptist Sleep Center at Galloway; Baptist Sleep Center at Sunset; Baptist Sleep Center at Miami Lakes; and Baptist Sleep Center at Pembroke Pines. Specialists in neurology, pulmonary medicine, psychiatry, urology and polysomnography (sleep studies) work together to diagnose and treat sleep disorders such as sleep apnea, insomnia, periodic leg movement syndrome and narcolepsy.

Baptist Health Medical Plazas. Eighteen Baptist Health Medical Plazas providing outpatient services are in operation across Miami-Dade and Broward Counties and are owned or managed by BOS.

Clinical imaging, diagnostic testing services and/or urgent care are provided at 17 locations:

- Baptist Health Medical Plaza at Palmetto Bay, Miami, Florida, a medical office building that also leases space to pediatricians, family practitioners and internists;
- Baptist Health Medical Plaza at Westchester, Miami, Florida, that also leases space to family practitioners;
- Baptist Health Medical Plaza at West Kendall, Miami, Florida;
- Baptist Health Medical Plaza at Doral, Miami, Florida, which also leases space to family practitioners;
- Baptist Health Medical Plaza at Miami Lakes, Miami, Florida;
- Baptist Health Medical Plaza at Tamiami Trail, Miami, Florida;

- Baptist Health Medical Plaza at Country Walk, Miami, Florida;
- Baptist Health Urgent Care at University Centre, Florida;
- Baptist Health Medical Plaza at Coral Springs, Coral Springs, Florida;
- Baptist Health Medical Plaza at Davie, Davie, Florida;
- Baptist Health Medical Plaza at Pembroke Pines, Pembroke Pines, Florida;
- Baptist Health Medical Plaza at Coral Gables, Coral Gables, Florida;
- Baptist Health Urgent Care Center at Pinecrest, Pinecrest, Florida;
- Baptist Health Urgent Care Center at Kendale Lakes, Miami, Florida;
- Baptist Health Urgent Care Center at Sawgrass, Sunrise, Florida;
- Baptist Health Medical Plaza at Brickell, Miami, Florida;
- Baptist Health Urgent Care at Weston, Weston, Florida; and
- Baptist Mammography Center at Macy's, The Falls in Palmetto Bay.

More than 35,000 patients were treated for minor injuries and illnesses at the urgent care centers in the Baptist Health Medical Plaza locations in fiscal year 2016.

In addition to urgent care and diagnostic imaging services, select Baptist Health Medical Plazas provide community programs, health information and support groups. These resource centers are located within the Baptist Health Medical Plazas at Doral, Westchester, Pembroke Pines, and Brickell. An additional resource center is located at the Baptist Hospital Medical Arts Building.

Continuing Medical Education. BHSF's Continuing Medical Education program provided more than 1,700 hours of continuing medical education ("CME") in fiscal year 2016, including more than 22 symposiums targeting regional, national and international audiences. In total, 22,000 healthcare professionals attended more than 260 conferences and earned more than 80,000 CME/CE credits. For the third time, the BHSF Continuing Medical Education program was awarded Accreditation with Commendation by the Accreditation Council for Continuing Medical Education. This exemplary status requires the continuing medical education provider to demonstrate compliance with 100% of the accreditation criteria, positioning BHSF's Continuing Medical Education program as a strategic partner in national initiatives to improve the quality and safety of patient care.

Health and Wellness. Thousands of Miami-Dade County, Broward County and Monroe County residents and the BHSF System employees each year attend health-related programs sponsored by the BHSF System, throughout its multiple locations. Topics focus on healthy lifestyles, disease prevention, coping with chronic illness, stress management, diabetes, childbirth and infant care, smoking cessation, diet, exercise and cancer.

Community Outreach. In addition to the services described above, the BHSF System provides financial and other support to help underwrite the operating expenses of five neighborhood not-for-profit clinics: The Open Door Health Center in Homestead; the Good News Care Center in Florida City; the Good Health Clinic in Tavernier; the South Miami Children's Clinic in South Miami; and the Caring for Miami Mobile Dental Clinic (operating in Homestead and Florida City). Clinic patients requiring hospitalization or outpatient services not available at the clinics are often treated at BHSF facilities under the BHSF System's charity program.

BHSF SYSTEM FACILITIES

Baptist Hospital

Overview

In 1960, Baptist Hospital opened its original facility on a 65-acre site located approximately 12 miles southwest of downtown Miami and operated between 300 and 325 beds. Responding to the demands of the rapid growth in Miami's Kendall area, Baptist Hospital has expanded its facilities and currently sits on 98 acres, with a present licensed bed capacity of 728 beds, including 669 acute care beds, 22 Level II NICU beds, 14 Level III NICU

beds, and 23 rehabilitation beds. Approximately 32,180 people were hospitalized at Baptist Hospital in fiscal year 2016, while more than 114,000 received emergency treatment.

Services

Baptist Hospital provides medical and surgical services consistent with its status as a tertiary care provider. In addition to those discussed in "Key Services and Programs," Baptist Hospital offers specialty services including:

Emergency Center. The Emergency Center at Baptist Hospital provided treatment to more than 114,000 patients during fiscal year 2016. The 100-bed facility, which operates 24 hours a day, seven days a week, is comprised of an Adult Fast Track dedicated to treating minor injuries and illnesses and an accredited Chest Pain Center that provides 24-hour evaluation and treatment, including the latest in serial electrocardiograms and blood tests to detect the earliest signs of heart attack. The Adult Emergency Department ranks in the top quartile nationally in the Press Ganey benchmark group for patient satisfaction, when compared to similar hospital emergency centers. The Children's Emergency Department, staffed by professionals specializing in handling pediatric emergency medicine, treated approximately 25% of the total emergency department volume.

Family Birth Place. More than 3,800 babies were delivered at Baptist Hospital's Family Birth Place in fiscal year 2016. With 14 combination labor-delivery-recovery beds, three operating suites, and a post-anesthesia-care unit, the Family Birth Place provides patients with a full spectrum of obstetric services. In addition, the Family Birth Place has a triage unit used to monitor and evaluate patients, ante-partum beds dedicated to the treatment of high-risk patients, and 43 private inpatient postpartum beds designed to recover patients after delivery. Neonatologists are on duty around the clock for infants requiring special care.

Baptist Children's Hospital. Baptist Children's Hospital, "a Hospital within a Hospital", provides comprehensive care for neonates, infants, children and adolescents. Services include a 22-bed Level II NICU and a 14-bed Level III NICU to care for the most complex newborns, and a 48-bed children's unit providing inpatient and outpatient care. For those individuals needing more acute care, patients are treated in an eight-bed Pediatric Intensive Care Unit staffed by pediatric intensivists. Baptist Children's Hospital has over 250 pediatricians and pediatric subspecialties on its medical staff, and physician satisfaction levels have consistently been in the top 10th percentile nationally, based on the surveys conducted by HealthStream, Inc. Baptist Children's Hospital is an affiliate member of the Children's Oncology Group, a national pediatric oncology research collaborative supported by the National Institute of Health, and participates in a clinical trial cooperative group sponsored by the National Cancer Institute, which focuses on controlling cancer in children and adolescents.

Davis Center for Rehabilitation. The Davis Center for Rehabilitation is fully accredited by the Commission on Accreditation of Rehabilitation Facilities. The Davis Center provides inpatient and outpatient rehabilitation services to children and adults. The Davis Center houses 23 inpatient rehabilitation beds, occupational, physical, speech and recreational therapy areas, and includes a therapeutic swimming pool, therapy gym and transitional living apartment. Adjacent to the Davis Center is the Easy Street rehabilitation village with modules that simulate real life settings, which aid in the transition of patients from the rehabilitation setting to activities of daily living. The outpatient rehabilitation setting is focused on three primary areas of rehabilitation, which include orthopedic, sports medicine and neurological. The Orthopedic and Sports Medicine Department is equipped with the latest technology and a full circuit of weight training equipment. The Neurological Rehabilitation Department provides a one-to-one, therapist-to-patient ratio. Pediatric rehabilitation is provided at the Martha Ware Rehabilitation Center, 9035 Sunset Drive, Miami, with specially trained therapists focusing on rehabilitating injuries sustained by children up to 12 years of age.

Surgery Center. The Surgery Center at Baptist Hospital has 24 major operating suites and two minor procedure rooms. Approximately 13,000 inpatient and outpatient surgical procedures were performed in fiscal year 2016. The Surgery Center was designed to streamline the process for same-day surgery and to accommodate emerging technologies, such as Intraoperative Magnetic Resonance Imaging, which enables brain surgeons to avoid delicate brain structures with pin-point accuracy and avoid repeat operations by identifying as much unhealthy brain tissue as possible in real-time during the first surgery. Baptist Hospital was among the first in South Florida to offer image-guided surgery for neurosurgery, otolaryngology and orthopedics. Other services added recently include minimally-invasive robotic-assisted da Vinci surgeries and pain management procedures.

Neurosciences. Baptist Hospital offers the full spectrum of services for treating neurological disorders; a rehabilitation program for children with neurological disorders; spine surgery; neurological intensive care; and comprehensive treatment for multiple sclerosis, sleep disorders and pain control. In addition, Baptist Hospital's interventional neuroradiology program is one of only a small number of such programs in the nation to facilitate surgery on previously inoperable brain tumors and veins. These services are supported by a 48-bed inpatient unit dedicated to the treatment and recovery of patients with neurological disorders. The neuroscience program's staff of neurologists, neurosurgeons and neuroradiologists is widely acclaimed for clinical, research and education leadership. Most recently, Baptist Hospital's Neurosciences Center received Joint Commission Comprehensive Stroke Center certification, demonstrating its commitment to having the resources necessary to treat patients with the most complex strokes 24 hours a day, seven days a week. Included under the umbrella of its neurosciences services, the Center for Spine Care provides comprehensive multidisciplinary diagnosis and treatment for individuals suffering from back pain.

Campus Expansion

Expected to open in mid-January 2017, the Miami Cancer Institute outpatient facility located in the front of the Baptist Hospital campus recently completed construction. This facility will consolidate all outpatient cancer services under one roof. The facility will offer 305,000 square feet of clinical services and cutting-edge technology. A 140,000-square-foot research facility scheduled to open in fiscal year 2018 will provide access to clinical trials and ground-breaking treatments. The Miami Cancer Institute will also include the first proton therapy center in South Florida. Proton therapy is anticipated to be available in fiscal year 2018.

Baptist Hospital is nearing completion of a 63,000-square-foot, three-story addition to the south portion of its campus. This project adds six net new operating rooms to the Surgery Department for a total of 24, and four new interventional suites for MCVI, including one new interventional neuroradiology suite, one new electrophysiology suite, and two new advanced endovascular therapy suites to perform hybrid procedures. The project also includes a new 414 space parking garage to support campus growth.

South Miami Hospital

Overview

South Miami Hospital opened in 1960 as a 100-bed hospital in what was then a small suburban community. As the area's population increased, South Miami Hospital expanded, and currently has 453 licensed beds, consisting of 391 acute care beds, 47 Level II NICU beds, and 15 Level III NICU beds. South Miami Hospital is located approximately three miles northeast of Baptist Hospital, 10 miles southwest of downtown Miami, and three miles from the University of Miami and Doctors Hospital, both of which are located in Coral Gables. Approximately 15,500 people were hospitalized at South Miami Hospital in fiscal year 2016, while more than 38,000 received emergency treatment.

Services

South Miami Hospital provides medical and surgical services consistent with its status as a tertiary care provider. In addition to those discussed in "Key Services and Programs," other services rendered and programs offered at South Miami Hospital include:

South Miami Center for Women and Infants. The South Miami Center for Women and Infants was established in fiscal year 2009 to bring all major women and infant service lines under one umbrella, providing a more seamless and comprehensive approach to women and infant services. Women and infant services include: obstetrics (The Birth Day Place), gynecological care, breast care, women's health lifestyle, women's diagnostics, neonatal services and pediatric developmental therapy (Child Development Center).

The Birth Day Place. The Birth Day Place at South Miami Hospital has 29 full service combination labor-delivery-recovery-postpartum rooms, four operating rooms for C-section procedures, 27 private postpartum beds and a short-term nursery. The Level II NICU is licensed for 47 beds, and the

Level III NICU is licensed for 15 beds. More than 3,700 babies were delivered at The Birth Day Place in fiscal year 2016. The Birth Day Place offers all-natural, midwife-assisted births, programs for first-time parents and for mothers with gestational diabetes or other high-risk pregnancies, and the most current treatment methods for medical complications associated with pregnancy.

Child Development Center. Opened in 1992, the Child Development Center is staffed by pediatric development specialists including pediatricians, psychologists, physical therapists, occupational therapists, audiologists, social workers and dietitians. These specialists work closely with primary care physicians to provide evaluation and intervention for gifted and challenged infants and children with individualized programs designed to enhance abilities or correct deficiencies.

Emergency Center. The Emergency Center at South Miami Hospital provided treatment to more than 38,000 patients during fiscal year 2016. The Emergency Center includes a fast track Rapid Treatment Center for minor emergencies.

Miami Cardiac and Vascular Institute. The Miami Cardiac and Vascular Institute ("MCVI") at South Miami Hospital takes a comprehensive approach to the prevention, diagnosis and treatment of cardiovascular disease. MCVI's cardiovascular care unifies cardiac testing, invasive and non-invasive procedures, pre- and post-care, critical care, telemetry and cardiac rehab under one umbrella to create a seamless flow of patient care. To provide optimum care for all patients, sub-specialties work together in providing a multi-disciplinary comprehensive approach to care. These sub-specialties include: Medical Cardiology, Interventional Cardiology, Cardio-Thoracic Surgery, Interventional Radiology, Vascular Surgery and Electrophysiology.

MCVI at South Miami Hospital is a nationally certified chest pain center. Clinical excellence has been enhanced with participation in national registries and the implementation of a research program. MCVI's Non-Invasive Vascular Lab is nationally accredited by the Intersocietal Commission for the Accreditation of Vascular Laboratories. The Cardiac Rehabilitation unit is nationally certified by the American Association of Cardiovascular and Pulmonary Rehabilitation. The Echocardiography Laboratory is nationally accredited by the Intersocietal Commission for Accreditation of Echocardiography Laboratories.

The outpatient Heart Rhythm Center provides ancillary aid to MCVI. Working in conjunction with electrophysiology studies and patients with implantable devices, the Heart Rhythm Center provides a reliable and accessible location for regular device checks, while maintaining a fluid line of communication with cardiovascular physicians.

Pulmonary Care Program. South Miami Hospital treats a full range of respiratory conditions with a comprehensive inpatient and outpatient program encompassing diagnosis, education, rehabilitation and therapy.

Campus Expansion

South Miami hospital completed an expansion in 2013 which included a 75,000-square-foot addition and renovation of 57,000 existing square feet. The project, the third phase of a multi-year, comprehensive strategic and facilities master plan, focused on the modernization and expansion of South Miami Hospital's core clinical services including emergency, imaging and surgery. The previous phases of the plan included a new free-standing 100,000-square-foot Medical Arts Building adjacent to South Miami Hospital, a new 15 bed Level III NICU, a consolidation and expansion of MCVI at South Miami Hospital, and a renovation and infrastructure improvement of the East Tower Building.

During the past year, South Miami Hospital finished a renovation and infrastructure modernization of its Pavilion Building. The 53,000-square-foot project renovated the fourth through seventh floors of the building, adding 98 inpatient beds and 13 Level II NICU beds. The additional NICU beds enable South Miami Hospital to better support growing volumes of high-risk pregnancies, which have increased rates of pre-term births and NICU utilization.

Doctors Hospital

Overview

Doctors Hospital, located in the heart of historic Coral Gables, is a 281-bed acute care facility. The original hospital was established in 1949. In 1957, it was acquired by the Dr. John T. Macdonald Foundation, and subsequently by the for-profit HealthSouth Corporation in 1992, and finally in 2003 by BHSF. Doctors Hospital is recognized for its services in orthopedics and sports medicine, general surgery, urology and minimally invasive laparoscopic surgery. Its nationally recognized sports medicine program serves both professional and collegiate sports teams. Since its acquisition by BHSF, Doctors Hospital has been able to offer its patients access to all the tertiary care and specialized services offered by the other BHSF System hospitals. More than 6,200 patients were admitted to Doctors Hospital in fiscal year 2016, while more than 21,500 received emergency treatment.

Services

In addition to those discussed in "Key Services and Programs," other services rendered and programs offered at Doctors Hospital include:

Emergency Center. The Emergency Center at Doctors Hospital provided treatment to more than 21,500 patients during fiscal year 2016.

Rehabilitation Services. The Department of Rehabilitation at Doctors Hospital consolidated to an off-site location in 2015 to make room for the expanded Miami Orthopedic & Sports Medicine Institute (MOSMI) hub on campus. The "Doctors Hospital Sports Medicine and Rehabilitation Center" offers services to children, adolescents, adults and seniors with physical, cognitive or functional deficits. Rehabilitation services include: orthopedic, sports medicine, neuromuscular, cardiac, medical/surgical, burns, open wounds, amputations, spinal cord injury, head trauma, and pain management.

Homestead Hospital

Overview

Homestead Hospital is a 142-bed community hospital located in Homestead, Florida, approximately 31 miles from Downtown Miami. The original hospital was established in 1940 as the 10-bed James Archer Smith Hospital. It was later acquired by the City of Homestead, and subsequently acquired in 1990 by the then-parent company of South Miami Hospital, and finally in 1995 by BHSF. Approximately 11,000 people were hospitalized at Homestead Hospital in fiscal year 2016, while more than 100,000 received emergency care.

With approval in 2002 from the State of Florida's Agency for Health Care Administration, construction of a replacement facility for Homestead Hospital commenced, located just east of the Florida Turnpike, approximately three miles east of the previous site but still within the limits of the City of Homestead. In May 2007, the new Homestead Hospital was opened, and in July 2008, an additional 22 beds were added. As currently configured, Homestead Hospital occupies 370,000 square feet and has an inpatient bed capacity of 142 beds, compared to 120 beds at the previous location. All 142 licensed beds are private rooms, including 16 post-partum beds, 13 pediatric beds, 23 critical and intermediate care beds, and 90 general medical/surgical beds. The new facility has four operating rooms, two C-section rooms, and also includes an adjoining medical office building, which houses physician practices and administrative functions.

The replacement hospital is part of the BHSF System's mission and commitment to meet the healthcare needs of the Homestead community. It is anticipated that Homestead will slowly evolve from an agricultural area to a bedroom community, when economic recovery, coupled with the scarcity of land in Miami-Dade County, once again fuels residential growth to the south in Homestead.

Services

Among the services rendered and programs offered by Homestead Hospital are:

Emergency Center. Homestead Hospital has the only Emergency Center within a 14-mile radius. More than 100,000 patients were seen in the Center during fiscal year 2016. The Emergency Center includes a rapid treatment area for minor injuries, a nine-bed Pediatric Emergency Unit, and a Transitional Stay Unit providing evaluation and treatment to help improve clinical outcomes and operational efficiencies. Homestead Hospital and the Emergency Center have been granted Chest Pain Center Accreditation.

Maternity Care. More than 1,600 babies were delivered at the family-centered maternity unit at Homestead Hospital in fiscal year 2016. Homestead Hospital's maternity services include prenatal care and childbirth education programs.

Pediatric Services. Homestead Hospital's expanding pediatric services include pediatricians and specially trained pediatric nurses who treat minor-to-serious pediatric illnesses and injuries. The Betty Jane France Pediatric Center is a dedicated pediatric unit with a nursing staff that receives specialized training at Baptist Children's Hospital.

Physical Therapy Center. The Physical Therapy Center provides a dedicated area for rehabilitation therapies offered by physical therapists. Equipment is available for treating neurological, orthopedic, oncological, sports-injured, cardiac, pediatric, chronic pain, open wound and burn patients. Physical therapy is also provided to inpatients for postoperative and acute care needs.

Mariners Hospital

Overview

Mariners Hospital, located in Tavernier, Florida in Monroe County, is a critical access hospital and is the only hospital in the Upper Florida Keys. Mariners Hospital was opened in 1959 as a nine-bed, physician's clinic. Mariners was acquired by BHSF in 1995, and a 72,000-square-foot replacement hospital was opened in 1998. The hospital currently has 25 licensed beds, and includes four intensive care rooms, 21 medical/surgical rooms, and 17 rooms for outpatient services. In addition, Mariners has three surgery rooms, and eight outpatient surgery recovery areas. The emergency department has seven private treatment rooms, including a two-bed trauma room. A helipad that can accommodate Miami-Dade Air Rescue and Coast Guard helicopters, is adjacent to the emergency entrance. During fiscal year 2016, approximately 600 patients were admitted to Mariners Hospital, and 13,500 patients were treated in the emergency department.

A two-story 36,000 square-foot Medical Arts Building on the Mariners Hospital campus houses a complement of physician offices, in addition to outpatient cardiac and pulmonary rehabilitation, a physical therapy clinic, and a health and wellness center. In 2014, Mariners Hospital acquired an additional property with a 10,000-square-foot building to accommodate for future growth in health care services for the community.

Services

Among the services rendered and programs offered at Mariners Hospital are:

Hyperbaric Medicine. Mariners Hospital has the only hospital-based hyperbaric chamber in the Florida Keys. The hyperbaric chamber at Mariners Hospital has the capacity to treat six patients in recliners or stretchers, and 12 patients in an emergency. Hyperbaric medicine is used to treat decompression sickness (the bends), carbon monoxide poisoning, bone infections, radiation tissue damage and wounds that are difficult to heal.

Outpatient Services. Mariners Hospital provides outpatient treatment and surgeries in gynecology, urology, orthopedics, ophthalmology, gastroenterology, pain control, and cosmetic and general surgery. Mariners Hospital also offers an oncology suite to provide convenient outpatient chemotherapy for its patients.

Physical Therapy Services. Mariners Hospital's comprehensive outpatient clinic provides state-of-the-art equipment for treating neurological, orthopedic, oncological, sports-injured, cardiac, pediatric, chronic pain, open

wound and burn patients. Located on campus in the Medical Arts Building, these services are also provided to inpatients for postoperative and acute care needs.

Diagnostic Services. Mariners Hospital offers sophisticated imaging diagnostic studies, including CT and MRI, as well as traditional X-ray, on both an outpatient and inpatient basis. Mariners Hospital is accredited for mammography and ultrasound.

Emergency Center. Mariners Hospital's 24-hour Emergency Center is staffed with physicians and nurses ready to handle most emergencies. Support is provided by specialists on staff at the other BHSF hospitals, enhanced by the latest telemedicine capabilities.

West Kendall Baptist Hospital

Overview

West Kendall Baptist Hospital, opened in mid-2011, is located on 30 acres within the new 160-acre Kendall Town Center development, which is west of the Florida Turnpike, south of Kendall Drive and approximately eight miles west of Baptist Hospital's main campus.

West Kendall Baptist Hospital is approximately 282,000 square feet, with 133 licensed beds, including 13 post-partum beds, 12 critical care beds, and 108 general acute care medical/surgical beds. The facility also has six operating rooms including robotic surgery capabilities; two dedicated C-section rooms in the labor and delivery unit; an emergency department that includes separate treatment areas for adults and children; and diagnostic and imaging services. In 2009, West Kendall Baptist Hospital entered into an affiliation agreement with Florida International University's Herbert Wertheim College of Medicine to provide graduate medical education residencies in Family Medicine.

West Kendall Baptist Hospital was designed with the ability to add up to 300 beds and built to withstand Category 5 hurricane force winds. West Kendall Baptist Hospital can be self-sufficient for up to seven days following a natural disaster, and has achieved the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) Gold Certified status. The West Kendall Baptist Hospital campus also includes a free-standing, 64,000-square-foot, medical office building adjacent to the hospital for physician practices and outpatient services.

Campus Expansion

The West Kendall Baptist Hospital West Wing Garage consists of a six-level parking structure which incorporates a first floor of approximately 31,000 gross square feet (GSF) of enclosed space for support services and programming being decanted from the main hospital and the medical office building, as well as future growth space. Most notably, the first floor will house a 5,500 GSF Early Learning Center and designated playground. The balance of the structure consists of approximately 840 staff parking spaces, including accessible and baby stroller stalls, and electric car charging stations on five levels . The parking will allow for a net addition of over 600 spaces, which the hospital is in need of to support its future growth. The West Wing Garage is anticipated to be completed in February 2017.

Services

Among the services rendered and programs offered by West Kendall Baptist Hospital are:

Emergency Center. In fiscal year 2016 more than 67,500 patients were treated in West Kendall's emergency department. The emergency department's 34 private examination rooms include two trauma rooms as well as isolation and decontamination areas. The department has earned Heart Failure certification and is also certified as a Primary Stroke Center.

Maternity Care. More than 950 babies were delivered at the Beautiful Beginnings Family Birthing Suites at West Kendall Baptist Hospital in fiscal year 2016. West Kendall Baptist Hospital's maternity services also include prenatal care and childbirth education programs.

Outpatient Services. West Kendall Baptist Hospital's outpatient services cared for over 87,500 patient visits during fiscal year 2016. This includes more than 2,500 outpatient surgeries. Outpatient diagnostic imaging in the hospital includes ultrasound, digital X-ray, nuclear medicine, MRI, and high-end CT scan technology. Additional outpatient services include cardiopulmonary, physical therapy and laboratory services.

Baptist Outpatient Services ("BOS")

BOS owns and operates Baptist Outpatient Center ("BOC"), a large diagnostic and imaging center, located within a Baptist Health Enterprises-owned medical office building on the Baptist Hospital campus. BOC provides a wide variety of diagnostic and therapeutic services in a non-hospital environment, including CT, MRI, general radiology, mammography, ultrasound, core needle biopsy, bone density studies, laboratory testing and an executive health program.

The Baptist Health Medical Plazas, owned or managed by BOS, are a combination of urgent care and diagnostic imaging facilities located throughout Miami-Dade and Broward Counties. Urgent care is provided during weekday hours and on weekends to supplement care provided in the BHSF hospitals' emergency rooms. In order to accommodate additional needs from the community, select urgent care centers have begun expanding their hours of operation from 12 hours per day to 16 hours per day. Diagnostic imaging services include MRI, CT, PET/CT, mammography, ultrasound, and general radiology. Specific services vary by location. The medical plaza strategy was implemented to decentralize outpatient services to the communities served for patient convenience and access, and to provide alternative locations for non-emergent care provided in the BHSF hospitals' emergency rooms. In addition to achieving the above objectives, the Baptist Health Medical Plazas have also achieved incremental volume growth for the BHSF System throughout its market area, improved BHSF's competitive position and continued to enhance the BHSF brand. There are currently 17 medical plaza locations. See "BHSF HOSPITALS, BOS AND OTHER AFFILIATED ORGANIZATIONS—Other Services".

In addition to urgent care and diagnostic imaging services, select Medical Plazas provide community programs, health information and support groups. Currently these resources are available at Baptist Health Medical Plazas at Doral and Westchester, and at the Health Resource Center on the Baptist Hospital campus.

BOS will offer three new service lines to further support the healthcare needs of the community. The first Baptist Health Express Care is scheduled to open in Key Biscayne in early 2017 to treat minor illnesses or injuries. Additional future Express Care locations will follow in West Kendall and Doral. BOS will also be opening new freestanding emergency departments that will expand access to higher acuity services. Finally, BOS has implemented Care on Demand which provides immediate 24-hour access to a doctor online, from a smartphone or personal computer.

Addiction Treatment & Recovery Center. Founded in 1976, South Miami Hospital's Addiction Treatment & Recovery Center has treated over 10,000 people for abuse of alcohol and other mood-changing, mind-altering drugs. The Addiction Treatment & Recovery Center recognizes that substance use disorder is a primary, progressive, predictable and potentially fatal disease. The Addiction Treatment & Recovery Center's three-pronged, interdisciplinary approach focuses on education, individual counseling and group therapy managed by BOS.

Affiliation, Merger and System Development Activity

Capital Expenditures. BHSF continually evaluates the need for routine capital expenditures to maintain high-quality standards for its hospitals and various outpatient facilities. Additionally, BHSF also assesses opportunities for new technology, locations and services. In the past three fiscal years, BHSF has spent over $840,000,000 to acquire property and equipment, including substantial investments in information technology, building MCI and expansion of the Miami Cardiac and Vascular Institute. Projected capital spending for the next three years is over $700,000,000, due to BHSF's efforts to complete the new MCI facility, continued targeted

outpatient growth opportunities within Miami-Dade County and beyond, construction of a new 184-bed hotel on the Baptist Hospital campus and reasonable levels of technology and routine capital spending.

General. As with many multi-hospital systems, BHSF plans for, evaluates and pursues potential merger and affiliation candidates on a continuing basis as part of its overall strategic planning and development process for its health system. Such planning and discussions may result in the growth of the number of hospitals in the BHSF System and the Obligated Group over time. As part of its ongoing planning and property management functions, BHSF reviews the use, compatibility and business viability of many of its operations, including the Members of the Obligated Group, and from time to time, BHSF may pursue changes in the use, or disposition, of their facilities. Likewise, BHSF may receive offers from, or conduct discussions with, third parties about the potential acquisition of operations or properties, which may become part of the BHSF System or the Obligated Group in the future, or about the potential sale of some of the operations and properties, which are a part of the BHSF System or the Obligated Group. As a result, it is possible that the organizations that make up the Obligated Group may change from time to time, and it is possible that new hospitals or other entities will be added as Obligated Group Members in the future. See "BAPTIST HEALTH SOUTH FLORIDA, INC.—Overview" for a discussion of certain pending transactions.

Bethesda Affiliation. In October, 2015, BHSF and Bethesda Health, Inc. ("Bethesda") entered into an affiliation agreement (the "Bethesda Affiliation Agreement") that will make Bethesda part of the BHSF System. The Bethesda Affiliation Agreement provides for a 2-year transition period, with a projected effective date of October 1, 2017. The Bethesda Affiliation Agreement is subject to various contractual terms and conditions and regulatory approvals. There can be no assurance that the transaction will be consummated.

Bethesda operates a health care system headquartered in Boynton Beach, Florida. The Bethesda system has two acute care hospitals in Boynton Beach: Bethesda Hospital East, a 401-licensed-bed hospital, and Bethesda Hospital West, an 80-licensed-bed hospital completed in 2012. Bethesda Hospital East serves as a teaching hospital for internal medicine residents from the Florida Atlantic University school of medicine, which is located in Boca Raton, Florida. In April 2016, Moody's downgraded Bethesda to "Baa2" (from "A3") with a negative outlook.

Bethesda has publicly held tax-exempt bonds outstanding and has entered into a continuing disclosure agreement pursuant to Rule 15c2-12 in which Bethesda agrees to provide ongoing disclosure with respect to its finances and operations. Bethesda's continuing disclosure filings can be found in the MSRB's EMMA filing system at www.emma.org, reference CUSIP 69650QAM2. Bethesda has filed unaudited financial results for its fiscal year ended September 30, 2016, but its audited financial statements for fiscal year 2016 are not yet available on EMMA. The financial operating and other information of Bethesda reported on EMMA is not incorporated in this Offering Memorandum. BHSF has no responsibility for the accuracy or completeness of such information.

If the affiliation with Bethesda is consummated, BHSF will become the controlling entity for Bethesda and the results of operations for Bethesda will be consolidated with BHSF for financial reporting purposes. Currently, management of BHSF does not plan to add Bethesda to the Obligated Group; however, BHSF and Bethesda continue to evaluate options for the debt structure of Bethesda after the affiliation.

Through the anticipated affiliation with Bethesda, the BHSF System will expand its footprint in Palm Beach County. This expansion is consistent with the BHSF System's strategy to continue to be the primary healthcare provider in the four County area, from Key West to West Palm Beach.

Accreditations, Memberships and Affiliations

Baptist Hospital - Baptist Hospital is fully accredited by The Joint Commission, licensed by the Agency for Health Care Administration ("AHCA") and certified for participation in Medicare and Medicaid. Baptist Hospital is a member of the American Hospital Association, the Florida Hospital Association and the South Florida Hospital Association.

In 2011, Baptist Hospital was designated Magnet status for excellence in nursing for the fourth time; the fifth designation is in process. Magnet designation, the nursing profession's highest honor, is awarded by the American Nurses Credentialing Center ("ANCC"), the nation's largest nursing accrediting and credentialing

organization. In 2014, the ANCC updated the requirements for Magnet designation, requiring 49 examples of nursing excellence and outcomes which serve as evidence of the structure, processes, and outcomes within the hospital. Magnet status is not a prize or an award. Rather, it is a credential of organizational recognition of nursing excellence.

Baptist Hospital received its first Magnet Designation in April of 1998, the eleventh awarded in the nation and the first in Florida to receive the designation. Baptist has since been re-designated in 2002, 2006 and 2011, and on February 1, 2016 submitted its document to the ANCC for a fifth Magnet designation. Approximately eight percent of hospitals in the United States have achieved ANCC Magnet Recognition® status (AHA, Fast Facts on US Hospitals, 2015).

Since 1999, Baptist Hospital has been one of an elite group of community hospitals that has maintained its accreditation status for its pharmacy practice residency program through the American Society of Health System Pharmacists. This training program is designed to develop advanced skills in the areas of patient care, drug information, and pharmacy administration. In 2008, Baptist Hospital received accreditation status through the American Society of Health System Pharmacists for its critical care residency program. Baptist Hospital is one of only seven hospitals nationwide that was awarded accreditation for this program. This specialized residency program provides training and skills in the area of critical care pharmacotherapy. In 2014, Baptist Hospital received accreditation status through the American Society of Health System Pharmacists for its oncology program. It is the only one in South Florida.

Baptist Hospital is affiliated with Florida International University, the University of Miami, Barry University, Miami-Dade College, Nova Southeastern University and Dade County Technical Education Centers, providing clinical training for nursing students attending those schools. Affiliations also include participation in Emergency Medical Services, Respiratory Therapy and Imaging/Radiology programs in the academic setting. In addition, Baptist Hospital has contracts with the University of Miami, whereby Baptist Hospital provides training for physical therapists; the University of Florida, whereby Baptist Hospital provides training in rehabilitation services; and Miami-Dade College, whereby Baptist Hospital provides clinical training to students of dietetic technology.

Additional accreditations and certifications received by Baptist Hospital include:

- Accreditations of the rehabilitation unit by the Commission on Accreditation of Rehabilitation Facilities
- Accreditations of the Laboratory by the College of American Pathologists
- Comprehensive Stroke Center designation by The Joint Commission
- Accreditations of the Peripheral Vascular Laboratory by the Intersocietal Commission for the Accreditation of Vascular Laboratories
- Accreditations of the Echocardiography Laboratory by the Intersocietal Commission for the Accreditation of Echocardiography Laboratories
- Accreditations of the MRI and CT imaging departments by the American College of Radiology
- Accreditations of Baptist Cardiac & Vascular Institute's Fellowship in Vascular and Interventional Radiology by the Accreditation Council on Graduate Medical Education
- Accreditations of the Outpatient Sleep Diagnostic Center at Baptist Hospital by the American Academy of Sleep Medicine

South Miami Hospital – South Miami Hospital is accredited by The Joint Commission, licensed by AHCA and certified for participation in Medicare and Medicaid. South Miami Hospital is also certified by The Joint Commission for its Prematurity and Pre-term Labor programs. In 2016 South Miami Hospital received provisional accreditation as a Burn Center. South Miami Hospital is also a Primary Stroke Center, AHCA attested.

South Miami Hospital's laboratory is licensed by AHCA, has a certification under the Clinical Laboratory Improvement Amendment ("CLIA"), and is accredited by the College of American Pathologists (CAP), and the blood bank is accredited by the American Association of Blood Banks (AABB).

South Miami Hospital's Respiratory/Pulmonary unit is accredited by the College of American Pathologists and, licensed by AHCA and has a certification by CLIA through CMS; the Pulmonary Rehabilitation unit is accredited by the American Association of Cardiac and Pulmonary Rehabilitation.

The Pharmacy is licensed by the State of Florida Department of Health Division of Medical Quality Assurance. Active membership is maintained in the American Society of Health-System Pharmacists (ASHP). In 2016, the pharmacy received a six year accreditation for its postgraduate year one pharmacy residency program.

South Miami Hospital's Miami Cardiac and Vascular Institute has various accreditations including: re-certification of the Cardiac Rehabilitation Centers through the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR); Certificates of Accreditation from Intersocietal Commissions (IAC) for Echocardiography Laboratories and Noninvasive Vascular Laboratories; Accreditation for Cardiovascular Excellence (ACE) for the Cardiac Cath Laboratory.

South Miami Hospital is also accredited by the American College of Radiology for ultrasound, mammography, CT, MRI and nuclear medicine services. In addition, mammography services are also certified by the Food and Drug Administration.

Other accreditations include: Robotic Center of Excellence by The Surgical Review Corporation (SRC); Center of Excellence in Minimally Invasive Gynecology by Advancing Minimally Invasive Gynecology Worldwide (AAGL) and the Surgical Review Corporation (SRC); Level 1a Accredited Bariatric Center by the American College of Surgeons; and the designation of Bariatric Surgery Center of Excellence by the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program Accredited Center (MBSAQIP); Network Cancer Program accreditation from the Commission on Cancer of the American College of Surgeons; Sleep Diagnostic Center accreditation by the American Academy of Sleep Medicine.

In March 2014, South Miami Hospital was re-designated for the third time as a Magnet organization by American Nurses Credentialing Center (ANCC) in recognition for quality patient care and nursing excellence. The current designation is effective through March 2018.

Active membership is maintained in the American Hospital Association, the Florida Hospital Association, the South Florida Hospital Association and Vizient Southeast.

South Miami Hospital's Early Learning Center is certified by the Florida Department of Children and Families.

South Miami Hospital has clinical affiliations with certain nursing, pharmacy and therapy programs of six area colleges, including Florida International University, Miami-Dade College, Barry University, the University of Florida, the University of Miami, and Nova Southeastern University.

Doctors Hospital – Doctors Hospital is accredited by The Joint Commission and is licensed by AHCA. Doctors Hospital is also a certified participant in Medicare and Medicaid. Doctors Hospital's clinical laboratory and its cardio-pulmonary blood gas laboratory are accredited by the College of American Pathologists and by CMS Clinical Laboratory Improvement Amendment ("CLIA"). The MRI Nuclear Medicine and Ultrasound Departments are accredited by the American College of Radiology ("ACR"). The non-invasive Peripheral Vascular Laboratory is accredited by the Inter-Societal Accreditation Commission of Vascular Labs ("ICAVL"). The pharmacy is accredited by the Florida Board of Pharmacy. Active membership is maintained in the American Hospital Association, the Florida Hospital Association, the Nursing Consortium of South Florida and the South Florida Hospital Association. Doctors Hospital maintains clinical affiliations with the University of Miami, Florida International University, Barry University, Nova Southeastern and Miami-Dade College in various clinical areas.

West Kendall Baptist Hospital – West Kendall Baptist Hospital is fully accredited by The Joint Commission, licensed by the Agency for Health Care Administration ("AHCA") and certified for participation in Medicare and Medicaid. West Kendall Baptist Hospital is a member of the American Hospital Association, the Florida Hospital Association and the South Florida Hospital Association. The hospital is a Gold-LEED building certified by the United States Green Building Council.

In 2015, West Kendall Baptist Hospital received Magnet designation by ANCC in recognition of its exceptional patient care and nursing standards. The current designation is effective through 2019. The hospital is also Joint Commission Disease Specific Care Heart Failure Certified. It has also attested to AHCA to meet the TJC DSC Stroke Certification Standards.

The Laboratory Department is licensed by AHCA, has a certification under the Clinical Laboratory Improvement Amendment ("CLIA"), and is accredited by the College of American Pathologists.

The Pharmacy is licensed by the State of Florida Department of Health Division of Medical Quality Assurance. The Pharmacy Residency Program is accredited by the American Society of Health-System Pharmacists (ASHP).

West Kendall Baptist Hospital maintains accreditation from the American College of Radiology for the following modalities – Nuclear Medicine, CAT scan, MRI, Ultrasound and Diagnostic Center of Excellence. The hospital also received Quality Respiratory Care Recognition from the American Association for Respiratory Care and College of American Pathologist Certified for Arterial Blood Gas.

West Kendall Baptist Hospital is affiliated with Florida International University, University of Miami, Barry University, Miami-Dade College, and Nova Southeastern University, providing clinical training for nursing students attending those schools. Affiliations also include participation in Emergency Medical Services, Respiratory Therapy and Imaging/Radiology programs in the academic setting.

West Kendall Baptist Hospital is the sponsoring institution for an ACGME-accredited Family Medicine residency program and a Family Medicine-Sports Medicine fellowship program.

Homestead Hospital – Homestead Hospital is accredited by The Joint Commission, licensed by AHCA and certified for participation in Medicare and Medicaid. Homestead Hospital is a member of the American Hospital Association, the Florida Hospital Association and the South Florida Hospital Association.

In 2016, Homestead Hospital was designated Magnet status for excellence in nursing. Magnet designation, the nursing profession's highest honor, is awarded by the American Nurses Credentialing Center ("ANCC"), the nation's largest nursing accrediting and credentialing organization. Accreditation is based on meeting 14 multi-part standards that evaluate the quality of clinical nursing practice and professional performance.

In addition, Homestead Hospital has numerous certifications from national accreditation organizations. Homestead Hospital's laboratory is accredited by the College of American Pathologists. Homestead Hospital maintains accreditation from the American College of Radiology for the following modalities – mammography, MRI and ultrasound. Homestead Hospital's Echocardiography Laboratory is accredited by the Inter-Societal Commission for the Accreditation of Echocardiography Laboratories. Homestead Hospital is accredited by the Society of Cardiovascular Patient Care as a Cycle IV Chest Pain Center without PCI. Homestead Hospital's Peripheral Vascular Laboratory is accredited by the Inter-Societal Commission for the Accreditation of Vascular Laboratories. Homestead Hospital was awarded the Diagnostic Imaging Center of Excellence by the American College of Radiology.

Homestead Hospital is affiliated with Florida International University, University of Miami, Nova Southeastern University, Barry University, Miami-Dade College and Keiser College, providing clinical education for nursing students attending those schools as well as clinical training for students of Physical Therapy, Speech Pathology, Radiology and Laboratory Sciences. Affiliations also include participation in clinical rotations for Nursing, Sonography, Pharmacy, Podiatry and Dietetic Technology students.

Mariners Hospital – Mariners Hospital is accredited by The Joint Commission, licensed by AHCA as a Critical Access Hospital and certified for participation in Medicare and Medicaid; the Clinical Laboratory, Transfusion Services Blood Gas Laboratory are also Joint Commission accredited. Mariners Hospital is designated through the American Nurses Credentialing Center as a Pathway to Excellence hospital. In addition, the Hospital has numerous certifications from national accreditation organizations. These include American College of Radiology

accreditation for the following modalities – Mammography, MRI, CT and Ultrasound. Mariners Hospital received accreditation from the American Association Cardiovascular and Pulmonary Rehabilitation for its Cardiac Rehabilitation and Pulmonary Rehab program. Mariners Hospital's Respiratory Department is recognized by the American Association for Respiratory Care and its Diabetes Care Center's education program is certified by the American Diabetes Association. Mariners Hospital is affiliated with Florida Keys Community College, providing clinical training for nursing students attending the school. Active membership is maintained in the American Hospital Association, the Florida Hospital Association and the South Florida Hospital Association.

Baptist Outpatient Services – Baptist Outpatient Service consists of nine service lines: Diagnostic Imaging, Urgent Care, Express Care, Care on Demand, Ambulatory Surgery, Endoscopy Centers, Executive Health, Addiction Treatment Recovery Center, and Sleep Medicine. Each service line is fully accredited by The Joint Commission or Accreditation Association for Ambulatory Health Care, with the exception of Sleep Medicine which is accredited by the American Academy of Sleep Medicine. Each Urgent Care Center has a laboratory fully accredited by the American College of Pathology. In addition, the Diagnostic Imaging service line has been awarded the Diagnostic Imaging Center of Excellence through the American College of Radiology. Baptist Outpatient Services is also a certified participant in Medicare and Medicaid.

Awards received within BOS

- Guardian of Excellence Award for clients who have reached the 95th percentile for patient satisfaction based on annual data.
    - Urgent Care Centers to receive this award
        - Baptist Medical Plaza – Brickell (Outpatient)
        - Baptist Medical Plaza - Coral Gables (Outpatient)
        - Baptist Medical Plaza – Davie (Outpatient)
        - Baptist Medical Plaza - Doral (Outpatient)
        - Baptist Medical Plaza - Miami Lakes (Outpatient)
        - Baptist Medical Plaza – Palmetto Bay (Outpatient)
        - Baptist Medical Plaza - Pembroke Pines (Outpatient and Urgent Care)
        - Baptist Medical Plaza - Tamiami Trail (Outpatient)
        - Baptist Medical Plaza – Sawgrass (Urgent Care)
    - Other Centers to receive this award
        - Baptist Mammography Center at Macy's (Outpatient)
        - Baptist Endoscopy Center of Coral Springs (BECCS) Ambulatory Surgery
        - Baptist Medical Arts Surgery Center (BMASC)
        - South Miami Medical Arts Surgery Center (SMASC)

Recognition

The BHSF System and its management have received numerous awards. The following represents a list of the most recent and significant of these:

- U.S. News & World Report 2016 - 2017 Best Hospital Rankings – Baptist Health is proud to be recognized by U.S. News & World Report as the highest performing healthcare organization in South Florida with four hospitals on the "Best Regional Hospitals" list. Baptist Hospital ranked #2, South Miami Hospital #4, Homestead Hospital and West Kendall Baptist Hospital ranked #6 in the area.
- 100 Best Companies to Work For – Fortune magazine (1998, 1999 and 2003 through 2016)
- 100 Best Companies for Working Mothers and Working Mother Hall of Fame – Working Mother magazine (2015 through 2004, 2002, 2001, 2000, 1999, 1996 through 1991, 1989)
- Most Diverse in Terms of Minorities – Fortune 100 Best Companies to Work For (2016, 2015, 2014, 2012, 2011, 2010, 2009)
- 100 Best Workplaces for Millennials – Fortune magazine (2015)

- World's Most Ethical Companies – Ethisphere Institute (2011 through 2016)
- Centers for Medicare & Medicaid Services (CMS) Overall Quality Star Ratings – BHSF System hospitals were among the highest ranked in their communities. Mariners Hospital and West Kendall Baptist Hospital earned 4 stars; Baptist Hospital, Homestead Hospital, South Miami Hospital and Doctors Hospital earned a 3-star rating.
- Magnet Hospital – American Nurses Association, presented to Baptist Hospital for Excellence in Nursing through 2015 (2011, 2006, 2002, 1998)
- Magnet Hospital – American Nurses Association, presented to South Miami Hospital for Excellence in Nursing through 2018 (2014, 2008, 2004)
- Magnet Hospital – American Nurses Association, presented to West Kendall Baptist Hospital for Excellence in Nursing through 2019 (2015)
- Pathway to Excellence® Award -American Nurses Credentialing Center, presented to Mariners Hospital, the first recipient for the state of Florida in 2012 and re-designation was awarded in 2015 through 2018
- Most Wired Hospitals – Hospital & Health Networks (2016 through 2011, 2009 through 2005, 2003, 2002, 2001, 1999)
- Best Employers for Healthy Lifestyles – Platinum Award to Baptist Health from the National Business Group on Health (2005 through 2015); President's Award to Baptist Health (2006)
- The American Nurses Credentialing Center has honored Baptist Health's Versant RN Residency Program with an Accreditation with Distinction. The first hospital system in the world to earn this achievement (2015)
- Leapfrog National Patient Safety Scorecard –Baptist Hospital, Doctors Hospital and Homestead Hospital all received an A grade in patient safety from the Leapfrog Group for seven consecutive semesters (May 2015, November 2014, May 2014, November 2013, May 2013, November 2012, June 2012) West Kendall Baptist Hospital, received an A grade since eligible (November 2013, May 2014, November 2014, May 2015) South Miami Hospital (June 2012, November 2012, May 2013, November 2013, May 2014)
- Press Ganey recognized Baptist Health with the Pinnacle of Excellence award for having maintained consistently high levels of excellence in patient satisfaction for more than three years. In addition, Baptist Health received 17 Guardian of Excellence awards in five categories – Inpatient, Outpatient, Ambulatory Surgery, Emergency Department and Urgent Care – for reaching the 95th percentile in patient satisfaction (2013 through 2016)
- Top 25 Healthcare Supply Chain – Gartner, Inc. (2015)
- Federal Credit Union of the Year – only company in the nation to be recognized at the platinum level for 10 consecutive years – League of Southeastern Credit Unions (2014)
- Healthstream – Excellence Through Insight Awards – for Overall Physician Satisfaction Doctors Hospital and South Miami Hospital in the large hospital category (2014) Homestead Hospital and Doctors Hospital for (2012)
- International Top 30 Green Hospitals for environmentally friendly hospital – Healthcare Administration.net, presented to West Kendall Baptist Hospital (2014)
- US Health and Human Services – presented BHSF 11 awards for Patient Program and VHA Southeast Bright Ideas Program (2014)
- VHA Excellence Award for Sustainability – West Kendall Baptist Hospital (2014)
- Avatar 2013 Best-in-Class Employer for Employee Engagement and Overall Job Satisfaction (2013)
- Consumer Choice Award – National Research Corporation to Baptist Hospital as most preferred hospital in Miami (2013 through 2006, 2004 through 1996); co-winner (2005)
- eHEALTHCARE Leadership Award for Best Overall Internet Site for a Healthcare System – Silver level (2013)
- Fit-Friendly Company, Platinum Award, Workplace & Community Fitness Innovation (2008 through 2013), Gold Level (2007)
- Leapfrog Top Rural Hospital – Leapfrog Group, presented to Mariners Hospital for high-quality care and patient safety (2013, 2011)
- Leapfrog Group/URAC Hospital Website Transparency Award with Distinction for outstanding work in public reporting of hospital quality, safety and service performance scores (2013)
- Outstanding Employer Award – Disability Employment Awareness, Florida Department of Education, Division of Vocational Rehabilitation (2013)

- Partners for Change Award – Practice Greenhealth (2013)
- Soliant Health, Most Beautiful Hospitals in America (2013, 2011)
- Top Performer on Key Quality Measures – The Joint Commission, presented to Doctors Hospital (2013, 2012, 2011), South Miami and Mariners Hospitals (2013, 2011), Homestead Hospital (2012, 2011), West Kendall Baptist and Baptist Hospitals (2013)
- Truven Health Analytics "100 Top Hospitals: 15 Top Health Systems Study" – Top 20 percent quintile, Modern Healthcare magazine (2013)
- VHA Leadership Award for Clinical Excellence presented to West Kendall Baptist Hospital (2013), Baptist Hospital (2012), Doctors Hospital (2013, 2012, 2010) and Mariners Hospital (2012, 2011, 2009)
- Environmental Excellence Award – Practice Greenhealth, presented to Baptist Health hospitals (2012, 2011, 2010)
- Studer Group's "Firestarter" Award – the group's highest honor for outstanding patient care, received by West Kendall Baptist Hospital (2012), South Miami Hospital and Mariners Hospital (2009), Baptist Hospital (2008) and Homestead Hospital (2005)

Other Affiliated Organizations Not Members of the Obligated Group

Baptist Health Enterprises, Inc.

BHE is a for-profit corporation, that is wholly owned by BHSF. BHE's lines of business include real estate, ambulatory surgery, sleep diagnostic centers, collections services, hospitality services, and a network of physicians designed to promote quality care. BHE is the general partner and the owner of all the limited partnership units of Kendall Professional Center, Ltd., a Florida limited partnership that owns a 109,141-square-foot professional office building and parking garage located adjacent to Baptist Hospital on land leased from Baptist Hospital. BHE owns 100% of the stock of Baptist Medical Arts Building ("BMAB") East Tower, Inc., a for-profit Florida corporation that owns a second 131,957-square-foot medical office building located adjacent to Baptist Hospital on land leased from Baptist Hospital. In addition, BHE owns an 92,501-square-foot medical office building located adjacent to South Miami Hospital on land leased from South Miami Hospital.

Other wholly-owned subsidiaries of BHE include Kendall Credit and Business Service, Inc., an entity that provides collection services, Baptist Ancillary Services, Inc., Baptist Medical Services Corp. and Baptist Sleep Centers, LLC. Baptist Ancillary Services, Inc.'s wholly-owned subsidiary is Baptist Ambulatory Services, Inc. ("BAS"). BAS is the managing member of Baptist Surgery and Endoscopy Centers, LLC, ("BSEC") a Florida limited liability company that has a controlling interest and operates five ambulatory surgical centers. The first is a free-standing, multi-specialty surgery center located on the South Miami Hospital campus that does business under the name Medical Arts Surgery Center at South Miami ("MASC at South Miami"). MASC at South Miami opened in November 2005. During fiscal year 2016, MASC at South Miami handled over 3,892 surgery cases. The second center is a single-specialty surgery center that does business under the name of Galloway Endoscopy Center. In fiscal year 2009, BAS acquired this Center through an asset purchase arrangement with Ambulatory Surgical Centre of Miami, LLP d/b/a Miami Endoscopy Center, Miami Endocenter Corp. and Miami Endocenter LLC. In fiscal year 2016, Galloway Endoscopy Center performed 15,878 cases. In fiscal year 2011, the third surgery center, a DeNovo single specialty gastroenterology ambulatory surgical center named Baptist Endoscopy Center in Coral Springs became operational and handled 5,286 cases in fiscal year 2016. The fourth center is a single specialty surgery center that does business under the name Baptist Eye Surgery Center at Sunrise. In fiscal year 2014, BAS acquired this center through an asset purchase agreement from Physician Holding Corporation and saw 2,445 cases in fiscal year 2016. The fifth center is a multi-specialty surgery center located in West Palm Beach that does business under the name Northpoint Surgery Center ("Northpoint"). In February 2015, BAS formed AmSurg Baptist Network Alliance, LLC ("ABNA"), a Florida limited liability company, owning a 51% interest. ABNA is organized for the members to collaborate and invest in certain ambulatory surgery centers. During fiscal year 2016, ABNA acquired the majority interest in Northpoint through an asset purchase agreement from NSC West Palm LLC, AmSurg Holdings, Inc. and West Palm Outpatient Surgery and Laser Center LTD. The center performed 6,362 cases in fiscal year 2016, with a projected annual volume of 8,000 cases.

Baptist Medical Services Corp. is the general partner and owns a 69% interest in BHS Ambulatory Surgical Center at Baptist, LTD d/b/a Medical Arts Surgical Center at Baptist, a Florida limited partnership that owns a

multi-specialty ambulatory surgical treatment center located within the medical office building on the Baptist Hospital campus ("MASC at Baptist"). MASC at Baptist has been operational since 1996. During fiscal year 2016, MASC at Baptist treated over 5,800 cases.

On January 31, 2011, Baptist Sleep Centers of South Florida, LLC, a joint venture owned 60% by Baptist Sleep Centers, LLC and 40% by Sleep Florida, LLC, through various asset purchase arrangements, purchased and began operating three existing sleep centers: Baptist Sleep Center at Miami Lakes (previously owned and operated under a different name by BOS); Baptist Sleep Center at Pembroke Pines (previously owned and operated under a different name by Sleep Florida, LLC); and Baptist Sleep Center at Sunset (previously owned and operated under a different name by Sleep Florida, LLC). Sleep Florida, LLC is owned by various physicians and entities in specialties including neurology and ENT.

On March 21, 2011, BHE opened Baptist Sleep Center at Galloway, LLC, a joint venture sleep diagnostic center. Baptist Sleep Centers, LLC owns a 60% controlling interest, and a large cardiology group holds the remaining 40% interest.

MASC at South Miami, MASC at Baptist, Galloway Endoscopy Center, Baptist Endoscopy Center at Coral Springs, Baptist Eye Center at Sunrise, Northpoint Surgery Center, Baptist Sleep Centers of South Florida and Baptist Sleep Center at Galloway are managed by BOS.

In June 2015, BHE formed BHE Hospitality, LLC, a Delaware single-member LLC, organized to own and operate a 184-room hotel located adjacent to Baptist Hospital on land leased from Baptist Hospital. See "DEBT STRUCTURE OF THE OBLIGATED GROUP—Debt of Non-Obligated Affiliates".

Baptist Health Quality Network, LLC ("BHQN") is a Florida single-member LLC, organizing a clinically integrated network of physicians designed to promote quality initiatives.

Baptist Health South Florida Foundation, Inc.

The Foundation is a not-for-profit Florida corporation that is dedicated to obtaining charitable contributions for the support of the BHSF hospitals, BOS, BHMG and MCI. The Board of Directors of the Foundation is comprised of civic and professional leaders from the community. As of September 30, 2016, the Foundation had unrestricted net assets of $23,062,504. In addition, a number of temporarily and permanently restricted funds have been established by the Foundation that provide ongoing contributions for special services and programs provided by the BHSF hospitals, BOS, BHMG and MCI. As of September 30, 2016, the Foundation had temporarily and permanently restricted net assets of $66,940,240 and $13,160,974, respectively. A division of the Foundation, each with its own advisory board, was created for each of the BHSF hospitals.

Baptist Health Medical Group, Inc.

Baptist Health Medical Group, Inc. ("BHMG") has more than 190 employed physicians in multiple specialties integrated across the BHSF System. BHMG focuses on ensuring outstanding patient care and furthering the development of integrated delivery systems that allow doctors and hospitals to collaborate. Their approach includes follow up care, tele-health, research and education.

BHMG physicians represent specialties including primary care and wellness, general surgery, neurosurgery, preventive cardiology, breast surgery, thoracic surgery, physical medicine (psychiatry), cardiac surgery, home health, gastroenterology, orthopedics and sports medicine, hospital medicine, pediatric orthopedics, medical oncology, and radiation oncology, among others.

BHMG's Baptist Health Primary Care has more than ten (10) convenient locations throughout Miami-Dade County. Each Baptist Health Primary Care office is led by a Board-certified primary care physician, also known as a family doctor or general practitioner. Primary care physicians can detect and treat a variety of conditions, from chronic or infectious diseases to mental health problems.

BHMG also partners with the Baptist Health Quality Network which is a collaboration between BHSF and the finest doctors throughout the region. Through communication and best-practice benchmarking, they strive to improve the quality of healthcare, make access to care easier and streamline services to enhance the patient experience. The Network is led by doctors, not administrators or insurance companies, so the decision makers truly understand day-to-day patient care. The medical providers also adhere strictly to Baptist Health's high standards, working together to provide comprehensive, high-quality care to the patient.

Miami Cancer Institute At Baptist Health, Inc.

Miami Cancer Institute At Baptist Health, Inc. ("MCI") brings all of the cancer services offered throughout the BHSF System primarily into one location under the management of MCI.

Management of Cancer Services: MCI will combine innovative, precision cancer care and the latest in clinical trials with the BHSF System's high-level of patient care, all in one location. MCI will be responsible for managing and enhancing the comprehensive clinical services, such as diagnostic imaging, infusion chemotherapy, bone marrow transplantation, proton therapy treatment and radiation therapies offered throughout the various hospitals and outpatient centers that comprise the BHSF System. The comprehensive cancer center, managed by MCI, will provide patients from the community and throughout the region access to sophisticated treatments and clinical trials.

Research: MCI's research facility is designed to accommodate space for principal investigators, researchers and staff to pursue clinical trials and translational research. The focus will be on providing patients with access to sophisticated, groundbreaking treatments and cutting-edge clinical trials.

Other Cancer Related Services: MCI will provide special programs and support for patients, friends and family members in a dedicated area. A specialty boutique will offer a variety of personal items and specialty apparel to help patients going through treatment and recovery. A dedicated cafeteria will provide nutritional meals appealing to patients undergoing cancer treatment.

BHE, THE FOUNDATION, BHMG AND MCI ARE NOT, AND ARE NOT ANTICIPATED TO BECOME, MEMBERS OF THE OBLIGATED GROUP.

GOVERNANCE AND MANAGEMENT

Board of Trustees

The BHSF Articles of Incorporation provide that BHSF shall be governed by a Board of Trustees consisting of up to 35 trustees. The Board of Trustees consists of representatives of the professional, pastoral and business community in Miami-Dade County, Florida. Seven trustees are appointed by the Miami Baptist Association, and the chair of each BHSF hospital's or affiliate's Board of Directors serves as a voting member of the Board of Trustees during his or her term of office. The standing committees of the Board of Trustees include the following: Audit and Compliance Committee, Committee on Quality and Patient Safety, Community Benefit Committee, Compensation Committee, Ethics Committee, Executive Committee, Facilities Committee, Finance and Risk Management Committee, Governance Committee, Human Resources Committee, Investment Review Committee, Long Range Planning Committee, Miami Baptist Association Liaison Committee and Nominating Committee.

Listed below are the current Trustees, the offices they hold on the Board of Trustees and their principle occupations.

Table 5.
Members of Board of Trustees

Name	Office	Occupation	Term Expires
William H. Dickinson	Chairman	Ocean Reef Club, Real Estate Company	10/31/19
James Carr	Vice Chair	Chief Executive Officer, CC Homes	*
Jay A. Hershoff, Esq.	Secretary	Attorney-at-Law, Hershoff, Lupino and Yagel	*
Bill R. Tillett	Treasurer	Retired	10/31/18
George E. Cadman, III	Assistant Secretary	Chairman of the Board, ERA South Dade Realty, Inc.	10/31/17
Jana Sigars-Malina, Esq.	Assistant Secretary	Counsel, Sandler, Travis and Rosenberg, P.A.	10/31/17
Calvin Babcock	Assistant Treasurer	President, The Babcock Company	*
Richard H. Dailey	Assistant Treasurer	President, Apollo Bank	10/31/19
Roberta Stokes	Assistant Treasurer	Professor Emeritus, Miami-Dade College	*
Jane Alonso, RN	Member	Retired, Registered Nurse	10/31/18
Sheldon T. Anderson	Member	Retired, Chairman and Chief Executive Officer, Northern Trust	10/31/18
Yerby T. Barker	Member	President, Barker Insurance Agency	*
Rev. William L. Chambers, III	Member	Pastor, Homestead Church of the Nazarene	*
George M. Corrigan	Member	Retired, Vice President, Federated Department Stores	10/31/19
Thomas N. Davidson	Member	Retired, Chairman, Nutech Precision Metals	10/31/18
Joyce J. Elam	Member	Executive Dean, Business Administration, Florida International University	10/31/18
Tomas P. Erban	Member	Retired	*
Herbert H. Greene, MD	Member	Retired, Physician, Baptist Health	*
Charles M. Hood, III	Member	President, 4Kids, Inc.	10/31/17
Rev. Dr. Gary Johnson	Member	Executive Director, Miami Baptist Association	*
S. Lawrence Kahn, III	Member	President, Lowell Homes, Inc.	*
Norman M. Kenyon, MD	Member	Retired, Physician Baptist Health	*

Name	Office	Occupation	Term Expires
Rudy Kranys	Member	Retired, Founding Partner, Syntheon, LLC	10/31/19
Rev. Richard Ledgister	Member	Pastor, Sierra Norwood Calvary Baptist Church	10/31/17
Rev. Wilner Maxy	Member	Pastor, Haitian Emmanuel Baptist Church	10/31/17
Paul D. May	Member	Retired, Vice President, Corporate Sales, Daniel Moving Systems, Inc.	10/31/17
Rev. Dr. Marcos A. Ramos	Member	Pastor, Calvario Baptist Church	10/31/19
Aida Shafer	Member	Owner, Viciana & Shafer, P.A.	*
Ronald A. Shuffield	Member	President, Esslinger-Wooten-Maxwell, Inc. Realtors	10/31/17
J. Scott Weston	Member	Executive Vice President, Maddux & Company	10/31/19
Rev. Dr. William W. White	Member	Pastor, Christ Journey Church	10/31/19

* Serve by reason of being the chairperson of the Boards of Directors of the BHSF hospitals or affiliates.

Baptist Hospital, South Miami Hospital, Doctors Hospital, Homestead Hospital, Mariners Hospital, West Kendall Baptist Hospital, BOS, BHE, BHMG, MCI and the Foundation each has its own governing board, the members of which consist of representatives of the professional, pastoral and business community.

Conflicts of Interest

BHSF and its affiliate corporations have each adopted a strict conflict of interest policy for their governing boards, officers and employees.

Centralized Business Functions, Treasury and Financial Management

The BHSF System is a multi-hospital, multi-corporation system with centralized management and control over common business functions. BHSF management has long followed the philosophy that the ongoing financial viability of the BHSF System can best be assured by making its highest financial priority the attainment of a high level of short-term and long-term liquidity. The ongoing commitment to this financial priority has significantly influenced the organizational development of the BHSF System. Functions centralized at BHSF include financial reporting, all accounting functions, budgeting, tax compliance, internal controls, accounts payable, payroll, patient financial services, admitting and registration, health information management, utilization review, managed care contracting, cash and investment management, capital management, strategic and financial planning, new business development for domestic and international services, clinical process improvement, construction, insurance, risk management, general counsel and all legal functions, human resources, marketing and public relations, corporate and government relations, patient, medical and community education, research and grants management, chaplaincy program, real estate management, information technology, telecommunications and supply chain management. In addition, BHSF provides centralized management of the internal audit and compliance functions through the Corporate Vice President of Internal Audit and Compliance, who reports directly to the Audit and Compliance Committee of the BHSF Board of Trustees.

To further strengthen the financial management of the BHSF System, the chief executive officer and controller of each affiliate are employees of BHSF. The Compensation Committee of BHSF's Board of Trustees determines compensation for all senior management of the BHSF System, which includes each affiliate's CEO and

other officers. Each affiliate Controller reports directly to the BHSF Corporate Vice President of Finance, which further adds to the effective financial management of the BHSF System.

To facilitate achievement of its liquidity goals, BHSF serves as the centralized cash receiving and disbursing agent for all BHSF affiliates. Accordingly, cash receipts above minimum balances are swept daily from all affiliates into a centralized BHSF cash account. All BHSF payroll and other disbursements are made from a centralized BHSF disbursement account.

Investment Policy

BHSF management believes that the prudent management of cash and investments is critical for the BHSF System to achieve its profitability and liquidity goals. BHSF management administers the investment function based upon a comprehensive written investment policy that is reviewed, approved and overseen by the BHSF Board of Trustees and its Investment Review Committee. Cash available for investment is allocated to predetermined investment pools consistent with the risk and return objectives of BHSF and with its liquidity needs. Each investment pool is managed by professional managers selected on a competitive basis. Investment managers are monitored quarterly by an independent investment consultant who is prohibited from serving as a BHSF investment manager or from having any other duties that may impair independence or objectivity. The investment consultant independently compares each investment manager's performance in relationship to a peer group of managers, its investment objectives and the BHSF investment policy. The Investment Review Committee meets quarterly with BHSF management and the investment consultant to review actual performance, compliance with the investment policy, and any recommendations of management and/or the investment consultant. Investment managers are selected to attend quarterly meetings so that each manager meets with the Investment Review Committee and BHSF management at approximately yearly intervals. The investment policy provides for a diversified investment portfolio which considers return, risk, social politics, and the BHSF System's short-term and long-term liquidity goals. The investment function is structured and managed to ensure appropriate checks and balances are in place to result in a highly disciplined investment process.

BHSF Management

BHSF's corporate management team provides overall direction for the BHSF System's operations. The BHSF System's various operations are closely coordinated with one another through the executive officers. The day-to-day management of BHSF and the BHSF affiliates is the primary responsibility of the following senior management individuals. Executive remuneration is reported by BHSF to the Internal Revenue Service on Form 990. The most recent Form 990 is available at www.guidestar.org.

Brian E. Keeley, President and Chief Executive Officer of BHSF. Brian E. Keeley, age 71, has been with Baptist Health for 43 years. He began his career as Vice President of Baptist Hospital in 1973 and was promoted to President of Baptist Hospital in 1986 and served in this position until 1995, at which time he was appointed President and Chief Executive Officer of Baptist Health Systems of South Florida, the precursor to Baptist Health South Florida.

Mr. Keeley holds a Master's of Business Administration Degree from George Washington University, Washington, D.C., and a Bachelor of Arts Degree from Miami University of Ohio, Oxford, Ohio.

Mr. Keeley's current and former positions include: Fellow of the American College of Health Care Executives for which he previously served as its Regent for South Florida. He is also the past Chairman of the Board of Dimension PHO, a past Chairman of the Board of the Association of Voluntary Hospitals of Florida, a past President of the South Florida Health Care Executive Forum, a past President of the Greater South Dade Chamber of Commerce, and a member of the following professional organizations: American Hospital Association, Florida Hospital Association and South Florida Hospital Association. Mr. Keeley also served on the Regional Advisory Board of the Health Systems Governing Council of the American Hospital Association. He is currently serving on the Florida Hospital Association Board.

Mr. Keeley is currently a member of the Governing Board of the Greater Miami Chamber of Commerce, and the Miami Business Network. Mr. Keeley also served as the Secretary/Treasurer and founding board member of

the Coalition for Nonprofit Healthcare and on the Board of the Miami Medical Alliance (Salud Miami). He is a past Chairman of the Board of the Miami Branch of the Federal Reserve Bank of Atlanta and has been a member of the Board of Directors of the following organizations: South Florida Hospital Association, Coalition for Nonprofit Health Care, Beacon Council and United Way. He also served as the Honorary Consul for St. Kitts and Nevis. Mr. Keeley also served on the University of Miami School of Business Administration Health Sector Management and Policy Advisory Board from 2008-2010.

Mr. Keeley received the 2012 Distinguished Alumnus Award from the School of Public Health Services, George Washington University, the Robert Stempel Award by the FIU College of Public Health & Social Work, the 2014 Lifetime Achievement Award Honoree by the South Florida Business of the Year Award and the 2015 Leave a Legacy Community Champion Award.

Ralph E. Lawson, Executive Vice President and Chief Financial Officer of BHSF and BHE. Ralph E. Lawson, age 69, joined Baptist Health South Florida, Inc. in 1989 as the Chief Financial Officer. Mr. Lawson has been a Certified Public Accountant since 1974.

Prior to joining Baptist Hospital, Mr. Lawson spent 17 years at Deloitte, the last eight years of which were as the partner responsible for the Florida healthcare practice.

Mr. Lawson's academic background consists of a Master's of Business Administration Degree from The Wharton School of Finance, University of Pennsylvania, and a Bachelor of Science Degree from the University of Colorado.

Mr. Lawson is Chairman of the Board of Directors of Catholic Health Services, which employs over 3,000 individuals providing healthcare services primarily to the elderly of South Florida. Mr. Lawson is a past National Chair of the Healthcare Financial Management Association (HFMA). Mr. Lawson is the National Secretary/Treasurer of the Board of Directors of the Leukemia & Lymphoma Society.

D. Wayne Brackin, Executive Vice President and Chief Operating Officer of BHSF. D. Wayne Brackin, age 57, was appointed Executive Vice President and Chief Operating Officer of BHSF in March 2007. Mr. Brackin served as the Chief Executive Officer of South Miami Hospital for twelve years until March 2007. Prior to becoming South Miami Hospital's Chief Executive Officer, Mr. Brackin held the position of Chief Operating Officer. From 1989 to 1994, Mr. Brackin served as Administrator of Homestead Hospital. He joined South Miami Hospital in 1985 as an Administrative Resident and continued as Assistant Administrator until 1989.

Mr. Brackin holds a Master's Degree in Health Services Administration from George Washington University in Washington, D.C., and a Bachelor of Science Degree from Southern Illinois University in Carbondale, Illinois.

Mr. Brackin currently serves as Chairman of the South Miami Children's Clinic and serves as a director on the boards of Vizient Southeast, Florida Hospital Association and First National Bank of South Miami. He was the recipient of Modern Healthcare's "Up and Comer Award", Florida Medical Business "Reader's Choice Award for Healthcare Industry Leadership" and the Florida Chapter of Social Work Leaders in HealthCare "Human Services Award". He was honored by the American Hospital Association as the recipient of the Grassroots Champion Award for the State of Florida; was inducted into the Studer Group Fire Starter Hall of Fame; and most recently, was the recipient of the Chamber South L. Russell Norton Service Award for outstanding citizenship and community service.

George Foyo, Executive Vice President and Chief Administrative Officer of BHSF. George Foyo, age 70, joined BHSF in October 2007 as the Executive Vice President and Chief Administrative Officer. Prior to joining BHSF, Mr. Foyo served in the following capacities: Market President for Blue Cross and Blue Shield of Florida; President and CEO of the Greater Miami Chamber of Commerce; President of DIRECTV Latin America, LLC; President and Managing Director for AT&T's Caribbean and Latin America Region.

Born in Havana, Cuba, Mr. Foyo holds a Master's of Science Degree in Engineering from Purdue University, Indiana, and a Bachelor of Science Degree in Engineering from the University of Illinois, Chicago.

Mr. Foyo is a past member of several international corporate boards in which he represented AT&T's interests. He is past Chairman of the Board for Big Brothers Big Sisters, Cuban American National Council, Beacon Council, One Community One Goal and The Miami Foundation. Mr. Foyo continues to serve on the Cuban American National Council, as well as serving on the Miami Lighthouse for the Blind & Visually Impaired, Inc., Miami-Dade County School Superintendent's Advisory Council, Beacon Council, Florida International University School of Business Advisory Board, Greater Miami Chamber of Commerce, and also serves as vice chair of the Coconut Grove Bank Board. Mr. Foyo previously served on the Board of Enterprise Florida and the Board of Directors for United Way.

Mr. Foyo is the recipient of: Old Masters Distinction, Purdue University; Outstanding Alumni, University of Illinois; Hispanic Engineer Hall of Fame, HENAAC; Executive of the Year, Madrid Chamber of Commerce; a member of the AT&T Corporate Values Team, composed of a selected small group of executives. Mr. Foyo was also named 2008 Executive of the Year by the Latin Chamber of Commerce of the United Status.

Ana Lopez-Blazquez, Executive Vice President and Chief Strategic & Transformation Officer of BHSF and Chief Executive Officer of Baptist Health Enterprises. Ana Lopez-Blazquez, age 58, joined Baptist Hospital in 1987 as Director of Planning. In 1992, Ms. Lopez-Blazquez was promoted to Vice President of Planning and Business Development for BHSF, and in January 2003 was designated its Chief Strategic Officer. In her role as Chief Strategy Officer for Baptist Health South Florida, Ms. Lopez-Blazquez is responsible for strategy development and strategy execution with particular emphasis on driving the growth agenda consistent with population health and value based care. This includes responsibility for strategic, business and master facility planning; market development; property acquisitions and land development projects; focusing on clinical and non-clinical services, all to further hospital and outpatient growth, expansion and integration strategies for all Baptist Health entities and affiliates. In 2015, Ms. Lopez-Blazquez was designated Executive Vice President, Chief Transformation Officer. In her role as BHSF's Chief Transformation Officer, Ms. Lopez-Blazquez provides the overall leadership and direction for the development and implementation of all aspects of business transformation including organizational design, process re-engineering, change management and implementation strategy. Since October 2004, Ms. Lopez-Blazquez has also held the position of Chief Executive Officer of Baptist Health Enterprises.

Ms. Lopez-Blazquez holds Masters of Business Administration and Masters of Health Science degrees from the University of Florida, Gainesville, Florida, and a Bachelor of Business Administration-Accounting Degree from Florida International University, Miami, Florida.

Ms. Lopez-Blazquez is a graduate of Leadership Florida, Class XXII and past Board Member of Leadership Florida. She is currently a Member of the Board of Directors of Liga Contra el Cancer; a past Board Member of the Miami Foundation; and a past Board Member and Vice President of the Alumni Association of the University of Florida Graduate Program in Health Administration. Ms. Lopez-Blazquez is Past Chair of the Advisory Board of Our Lady of Lourdes Academy in Miami, Florida, and a past Member of the Board of Directors of Palmer Trinity School in Miami, Florida.

Ms. Lopez-Blazquez was awarded the 2008 Bernadette Award for Outstanding Career Achievement by her alma mater, Our Lady of Lourdes Academy. In 2009, she completed the highly selective Joint Civilian Orientation Conference, the oldest and only outreach program sponsored by the Secretary of Defense for key civilian public opinion leaders to grow their knowledge of military and national defense issues.

Jack A. Ziffer, Ph.D., M.D., Executive Vice President and Chief Medical Officer of BHSF. Prior to this position, Dr. Ziffer, age 63, was a founding leader of Baptist Health Medical Group and the entity's first chief executive officer. Before becoming a physician-executive with Baptist Health, Dr. Ziffer served as president and CEO of Radiology Associates of South Florida, one of the 10 largest multispecialty physician groups in South Florida and among the largest in the nation for radiology.

Dr. Ziffer received his medical degree from the University of Miami in its two-year accelerated Ph.D.-M.D. program, and a doctorate in molecular biology from the Rockefeller University in the laboratory of Nobel laureate Gerald Edelman, M.D., Ph.D., and Bruce Cunningham, Ph.D. He simultaneously received his bachelor's and

master's degrees in chemistry from Emory University, where he completed his combined fellowship in nuclear medicine and cardiovascular MRI and his residency in diagnostic radiology. He became Emory University's director of cardiovascular nuclear medicine.

As Executive Vice President and Chief Medical Officer of Baptist Health, he is responsible for all strategic, operational and policy matters for Baptist Health's physician initiatives and enterprises. This includes Baptist Health Medical Group, which tripled in size under his leadership, attracting world-class physicians throughout the nation. Today the multispecialty network employs more than 180 physicians. He is also responsible for Baptist Health Quality Network, a clinically integrated network of more than 1,200 community physicians throughout the region. His focus is on coordinating physician efforts to achieve the most cost-effective and highest-quality healthcare for the patients served by Baptist Health. Related areas of responsibility include Baptist Health's Evidence Based Care, Research and Grants, Quality & Safety, Center for Performance Improvement, Center for Healthcare Advancement & Outcomes, the *e*ICU LifeGuard program, Home Healthcare, Medical Staff Services, the Transfer and Transport Center and the Follow-up Care program.

Dr. Ziffer was a founding member of the Society of Cardiovascular Computed Tomography, and served as one of the original presidents in 2009. He was also a founding member and vice president of the American Society of Nuclear Cardiology, where he is currently a board director. He is also past president of the Cardiovascular Council of the Society of Nuclear Medicine, and has played an instrumental role in defining quality, training and education in his field. He serves as a reviewer of numerous journals and is a clinical professor of radiology at Florida International University's Herbert Wertheim College of Medicine.

Albert Boulenger, Chief Executive Officer of Baptist Hospital. Bo Boulenger, age 56, was appointed Chief Executive Officer of Baptist Hospital in August 2006. Prior to this appointment, Mr. Boulenger served in various executive positions at Homestead Hospital, beginning in 1991 as the Chief Operating Officer and serving as its Chief Executive Officer until 2006. Assistant Administrator at South Miami Hospital from 1986 to 1991, and Administrative Resident from 1985 to 1986.

Mr. Boulenger, received the South Florida's "Power Leaders" in healthcare award in 2013 and was named "Ultimate CEO" in 2008 for vision, innovation and integrity by the South Florida Business Journal. He also received the "Fire Starter Award" for outstanding performance in quality, service and financial management from the Studer Organization, an international outcomes-based consulting firm. Mr. Boulenger is the only CEO to win this national award twice. He received a Key to the City of Homestead by the City Council for service to the city and the Homestead Civitan Club's Citizen of the Year.

Mr. Boulenger is a member of the American College of Healthcare Executives and serves on the American Hospital Association Section for Metropolitan Hospitals Governing Council. He was a member of the South Florida Hospital Association Board of Directors and has served on many other community boards and executive councils in his career. Mr. Boulenger holds a Master's Degree in Health Administration from Washington University in St. Louis, Missouri, and a Bachelor of Science Degree in Business Administration from the University of Florida in Gainesville, Florida.

Lincoln S. Mendez, Chief Executive Officer of South Miami Hospital. Lincoln S. Mendez, age 54, is the Chief Executive Officer of South Miami Hospital. Mr. Mendez has been in this position since January 2010. Prior to SMH, Mr. Mendez held the position of CEO at Doctor's Hospital for a total of 14 years. During this period, he was the CEO of HealthSouth Doctors' Hospital, Inc. for the eight years prior to BHSF's acquisition of Doctors Hospital in October 2003. Prior to his employment with HealthSouth Doctors' Hospital, Inc., Mr. Mendez was the Chief Operating Officer at Kendall Regional Medical Center in Miami, Florida, from 1993 to 1995. Mr. Mendez has also served as the Chief Operating Officer at Pembroke Pines Hospital and as Assistant Administrator for Aventura Hospital.

Mr. Mendez holds a Master's in Health Administration Degree from Florida International University, Miami, Florida, and both a Bachelor of Arts Degree in Biology and a Bachelor of Science Degree in Medical Technology from Southern Adventist University, Collegedale, Tennessee.

Mr. Mendez is a member of the American College of Healthcare Executives and is licensed as a laboratory supervisor and medical technologist from the Florida Department of Professional Regulations. Mr. Mendez currently serves as Chairman of the Board of the South Florida Hospital and Healthcare Association. He is currently serving as an Alternate for the American Hospital Association Regional Policy Board. He has also served on the Board of the South Florida Multiple Sclerosis Society and the Board of the Big Brothers Big Sisters foundation. He has served as chair of the healthcare cabinet for the local chapter of the United Way program. Mr. Mendez is currently a member of the Orange Bowl Committee, the South Miami Chamber of Commerce, the Greater Miami Chamber of Commerce and the Florida International University Council of 100. Mr. Mendez has also served as Adjunct Faculty for the Florida International University graduate program in Health Administration.

Nelson Lazo, Chief Executive Officer of Doctors Hospital. Nelson Lazo, age 59, joined BHSF in March 2006 as the Chief Executive Officer of Mariners Hospital in Tavernier, Florida. Mr. Lazo was appointed Chief Executive Officer of Doctors Hospital in January 2010. Prior to joining BHSF, Mr. Lazo was Chief Operating Officer at Parkway Regional Medical Center in North Miami Beach, Florida, from 2004 to 2006; Senior Vice President promoted to Chief Operating Officer at MacNeal Hospital in Berwin, Illinois, from 2003 to 2004; and Chief Executive Officer and Regional Director of Operations at HealthSouth Rehabilitation Hospital of Miami in Miami, Florida, from 1997 to 2003.

Mr. Lazo holds a Master's of Business Administration Degree from Nova Southeastern University, Friedt School of Business in Fort Lauderdale, Florida, and a Bachelor of Science Degree in Business Management from Barry University in Miami, Florida. Mr. Lazo is a member of the American College of Health Care Executives.

Mr. Lazo is currently a member of the Orange Bowl Committee, the Executive Committee of the Coral Gables Chamber of Commerce, Chairman Elect of the Miami Dade Beacon Council, Past Chair of the Health Council of South Florida and Board Member of Coral Gables Community Foundation.

William Duquette, Chief Executive Officer of Homestead Hospital. William Duquette, age 55, was appointed Chief Executive Officer of Homestead Hospital in October 2006. Prior to becoming the Chief Executive Officer, Mr. Duquette served in various administrative positions over his 19 years with Homestead Hospital, including Vice President of Operations, Administrative Director of Laboratory Services, and Performance Improvement Coordinator.

Mr. Duquette holds a Master's Degree in Public Health from the University of North Carolina, Chapel Hill, North Carolina, and a Bachelor of Science Degree in Medical Technology from the University of Miami, Miami, Florida. Mr. Duquette is a licensed clinical laboratory supervisor and is certified by the American Society of Clinical Pathologists as a medical technologist.

Mr. Duquette is a board member of AGAPE, Correct Care Solutions, The South Florida Hospital and Healthcare Association, and the South Dade Chamber of Commerce, for which he is a past chairman. Mr. Duquette is also a member of the Rotary Club of Homestead and the Homestead Civitan Club.

Rick Freeburg, Chief Executive Officer of Mariners Hospital. Rick Freeburg, age 64, was appointed Chief Executive Officer of Mariners Hospital in January 2010. Prior to his appointment at Mariners Hospital, Mr. Freeburg served as Vice President of Operations and Chief Operating Officer of South Miami Hospital from 1994, and Vice President of Administration at Doctors Hospital for seven years prior to that.

Mr. Freeburg holds a Master's of Business Administration Degree from University of Miami, Miami, Florida, and a Bachelor of Arts Degree from Principia College in Illinois.

Mr. Freeburg currently serves as a Board member of Habitat for Humanity of the Upper Keys, Inc.; Health Council of South Florida, Inc.; Hospice/Visiting Nurse Association of the Florida Keys, Inc. and Islamorada Chamber of Commerce. He is also the Co-Chair of the Upper Keys Taxing District Advisory Board. Mr. Freeburg previously served on the Board of Key Largo Chamber of Commerce; Rural Health Network of Monroe County, Inc.; the Special Olympics and the City of South Miami Pension Board.

Javier Hernandez-Lichtl, Chief Executive Officer of West Kendall Hospital and Corporate Chief Academic Officer of BHSF. Javier Hernandez-Lichtl, age 56, was appointed Chief Executive Officer of West Kendall Hospital and Corporate Chief Academic Officer of BHSF in December 2009. Mr. Hernandez-Lichtl served as the Chief Executive Officer of South Miami Hospital and prior to that as Executive Vice President and Chief Administrative Officer of BHSF. Previously he was Chief Executive Officer of BHE and BOS for five years, and held various executive positions at Baptist Hospital from 1989 to 1998.

Mr. Hernandez-Lichtl holds a Master's Degree in Public Health Administration from Tulane University, and a Bachelor of Science Degree from Holy Cross College, New Orleans, Louisiana. He is a Fellow of the American College of Healthcare Executives.

Mr. Hernandez-Lichtl's dedication to the South Florida community encompasses not only healthcare but also education, the arts and children's issues. He served as associate dean of academic affairs at Florida International University's Herbert Wertheim College of Medicine. He currently serves on the board of the Adrienne Arsht Center for the Performing Arts of Miami-Dade County Trust. He is a past chair of the board of trustees of Miami International University of Art & Design and has served on advisory boards for the University of Miami School of Nursing and the Florida International University Honors College.

In 2014, Mr. Hernandez-Lichtl received the Hispanic Business Top 50 Most Influential award. In 2013, the Boy Scouts of America's South Florida Council honored him with the Good Scout Award. He received the 2011 Power Leader of the Year Award from the Greater Miami Chamber of Commerce as well as the March of Dimes 2009 Humanitarian of the Year Award. He is a member of Leadership Florida Class XXIII.

Patricia M. Rosello, Chief Executive Officer of Baptist Outpatient Services. Ms. Rosello, age 58, received both her Bachelor of Science in Nursing and Masters of Nursing in Administration from Barry University in 1982 and 1989 respectively. She joined Baptist Health South Florida in 1997 as Vice President for Ambulatory Services and became Chief Executive Officer (CEO) for Baptist Outpatient Services (BOS) in 2003. In her role as CEO for BOS, Ms. Rosello leads the division which includes: 14 diagnostic imaging centers, 16 urgent care centers, one express care, four sleep centers, two GI endoscopy centers, four multi-specialty ambulatory surgery centers, the Executive Health Program, and the Addiction Treatment and Recovery Center.

Ms. Rosello has the overall responsibility for strategic and business planning, operations and fiscal management, legal, compliance and regulatory regulations and accreditations. Baptist Outpatient Services currently manages $252 million in net revenues and a capital/construction budget of over $10 million. It is the division with the highest operating margin at 18%. In addition, Baptist Outpatient Services has 1,061 employees, over 839 medical staff physicians and over 6,599 referring physicians.

Bernardo "Bernie" Fernandez, M.D. — Chief Executive Officer of Baptist Health Medical Group. Bernie Fernandez, age 55, joined Baptist Health in 2014. Prior to joining Baptist Health South Florida, Dr. Fernandez, a vascular medicine specialist, served as CEO and president of Cleveland Clinic Florida, In June 2013, he was appointed to the Florida Board of Medicine by Governor Rick Scott. Most recently, Dr. Fernandez served as vice chairman in 2014 and chairman in 2015 of the Florida Board of Medicine.

Born in Havana, Cuba, Dr. Fernandez received his medical degree from the Ponce School of Medicine in Ponce, Puerto Rico, and completed his internal medicine residency and vascular medicine fellowship at the Cleveland Clinic in Ohio. He is Board-certified by the American Board of Vascular Medicine and a Fellow of the Society of Vascular Medicine and the American College of Physicians. Dr. Fernandez holds an MBA from the University of Miami, School of Business and is also a graduate of the Wharton School of Business' Executive Development Program.

Active in the South Florida community, Dr. Fernandez serves on the board of directors for Broward Workshop and the Community Foundation of Broward. A member of the Orange Bowl Committee, the board of the Health Network Foundation, as well as the advisory board of the University of Miami, School of Business Administration's Programs and Center in Health Sector Management and Policy. In 2011, he served on the selection panel for the White House Fellows program, one of America's most prestigious programs for leadership and public

service. Dr. Fernandez is a member of the Miami/Fort Lauderdale chapter of the World Presidents' Organization (WPO), where he has been membership chair in 2015 and 2016.

William H. Banchs, Ph.D., Chief Executive Officer of Baptist Health Foundation (BHF). Bill Banchs, age 68, was appointed Chief Executive Officer of BHF in September 2013. Prior to becoming BHF's Chief Executive Officer, Dr. Banchs served in the following capacities: President and CEO of the Scottsdale Cultural Council; President of the Miami-based National Young Arts Foundation (formerly National Foundation for Advancement in the Arts); and Founder and Director of the Miami School of Musical Arts.

Born in Caracas, Venezuela, Dr. Banchs was educated at Harvard University, where he earned a B.A. in chemistry and physics and his M.A. and Ph.D. in music composition and theory. He was also awarded an honorary doctorate from the Maryland Institute College of Art in 2004.

Dr. Banchs is an accomplished composer and has received numerous awards, grants and commissions, including the Florida State Arts Council Fellowship, Harvard-Radcliffe Orchestra Composition Prize, National Endowment for the Arts Music Composition Fellowship and first prize in the Universidad Simon Bolivar 10th-Anniversary Orchestral Composition Competition. Dr. Banchs was named one of the "12 Good Men" by the Ronald McDonald House of South Florida in 1997.

Michael J. Zinner, M.D., Chief Executive Officer of Miami Cancer Institute (MCI). In March 2016 Dr. Michael J. Zinner, age 71, became the FCEO and Executive Medical Director of Miami Cancer Institute, a member of the BHSF System. Prior to that Dr. Zinner was the Moseley Professor of Surgery at Harvard Medical School, the Surgeon-in-Chief at the Brigham and Women's Hospital (BWH), the Clinical Director of the Dana-Farber/Brigham and Women's Cancer Center and the Crowley Family Distinguished Chair in the Department of Surgery at Brigham and Women's Hospital from 1994-2016.

He has been a member of the editorial boards of several surgical journals, including *Annals of Surgery, Journal of Gastrointestinal Surgery* and the *Journal of the American College of Surgeons*. He is the past and current Editor for "Maingot's Abdominal Operations", a worldwide textbook and atlas of gastrointestinal surgery in its 4th Edition under his editorship. Dr. Zinner is a past President of the Association for Academic Surgery, past President of the Society of the University Surgeons, and past President of the Society of Surgical Chairman. He has previously served as a Director of the American Board of Surgery, a member of the Board of Directors of the Society of Surgery of the Alimentary Tract and a member of the Board of Directors of Collegium Internationale Chirurgiac Digestivae. In 2008, he received the National Award for the Advancement of Women in Surgery from the Association of Women Surgeons (AWS). He was the Chairman of the Board of Governors of the American College of Surgeons (ACS) from 2008 to 2010 and is now a Chair of the Board of Regents of the College.

In 2004, he established the Center for Surgery and Public Health, a collaboration between the Harvard Medical School and the Harvard School of Public Health, focused on healthcare, quality, safety and effectiveness and global surgical care. His current interests include these areas and the national debate on health care reform. He is active in local, regional and national organizations on health care policies, and is Chairman of the Health Policy and Advocacy Committee for the American College of Surgeons. For the past 4 years he has taught courses on health care at the Heller School for Social Policy and Management at Brandeis University and was recently appointed Adjunct Professor there. He has been on the Boards of several hospitals and health care systems across the country, including Partners Health Care and the Sisters of Mercy Health Care System. In addition, he is on the board of several medical software companies.

Dr. Zinner remains a clinician and his clinical focus centers on surgical oncology and diseases of the gastrointestinal tract. He enjoys his practice and interactions with junior staff, trainees, and has received teaching and mentorship awards for both.

MARKET INFORMATION

Service Area Characteristics

The primary service area ("PSA") for the BHSF System is comprised of 29 zip codes (28 in Miami-Dade County and one in Monroe County). Geographically, the PSA extends primarily from the area south of Okeechobee Road to the Upper Keys, with Biscayne Bay and the Atlantic Ocean to the east and the Florida Everglades to the west. The BHSF PSA accounts for 80% of all BHSF hospitals' inpatient discharges. Five of the six BHSF hospitals are located within Miami-Dade County: Baptist Hospital, South Miami Hospital, Doctors Hospital, Homestead Hospital and West Kendall Baptist Hospital. The remaining BHSF hospital, Mariners Hospital, is located in Monroe County in the Upper Keys, south of and adjacent to Miami-Dade County.

The BHSF PSA contains 43% of the population of Miami-Dade County and is projected to grow at a faster rate than the Miami-Dade County average. Miami-Dade County has experienced, and is forecasted to continue to see, robust growth of its population, and is the largest Metropolitan Statistical Area in the state. Miami-Dade County's population has grown 9% since 2010 to approximately 2.7 million in 2016.

The locations of the BHSF hospitals are reflected in Table 11 below.

Population

The following table highlights the population data for BHSF's PSA, Miami-Dade County and the State of Florida for 2016 and as projected for 2021:

Table 6.
Population Data

	Population 2016	Projected 2021	% Change
BHSF PSA	1,158,767	1,235,302	6.6%
Miami-Dade County	2,712,137	2,885,541	6.4%
Florida	20,299,288	21,515,416	6.0%

Source: Demographics Expert 2.7 © 2016 The Nielsen Company, © 2016 Truven Health Analytics Inc.

The BHSF PSA population is projected to grow 6.6% over the next five years, higher than Miami-Dade County's forecasted growth rate of 6.4%. Specifically, the western and southern portions of the PSA are expected to fuel the growth for both the BHSF PSA and Miami-Dade County, as available undeveloped land becomes utilized for residential housing.

The following tables show the age distribution of the BHSF PSA, Miami-Dade County and the State of Florida in 2016 and as projected for 2021:

Table 7.
Actual Age Distribution: 2016

	BHSF PSA		Miami-Dade County		Florida	
Age Group	**Population 2016**	**% of Total**	**Population 2016**	**% of Total**	**Population 2016**	**% of Total**
Age 0 – 17	245,561	21%	564,367	21%	4,127,545	20%
Age 18 – 44	417,197	36%	996,193	37%	6,781,342	33%
Age 45 – 64	318,537	28%	730,327	27%	5,400,821	27%
Age 65 and over	177,472	15%	421,250	15%	3,989,580	20%
Total	1,158,767	100%	2,712,137	100%	20,299,288	100%

Source: Demographics Expert 2.7 © 2016 The Nielsen Company, © 2016 Truven Health Analytics Inc.

Table 8.
Projected Age Distribution: 2021

	BHSF PSA		Miami-Dade County		Florida	
Age Group	**Projected 2021**	**% of Total**	**Projected 2021**	**% of Total**	**Projected 2021**	**% of Total**
Age 0 – 17	254,360	21%	590,625	20%	4,260,057	20%
Age 18 – 44	427,279	34%	1,010,014	35%	7,039,120	32%
Age 45 – 64	345,681	28%	794,539	28%	5,538,450	26%
Age 65 and over	207,982	17%	490,363	17%	4,677,789	22%
Total	1,235,302	100%	2,885,541	100%	21,515,416	100%

Source: Demographics Expert 2.7 © 2016 The Nielsen Company, © 2016 Truven Health Analytics Inc.

The five-year trends for the BHSF PSA, Miami-Dade County and the State of Florida are approximately parallel. Reductions in ages 0-17 and 18-44 as a percent of total population result from greater-than-average increases in ages 45-64 and those age 65 and over. This "graying of the population" is expected to result in higher utilization of both inpatient and outpatient services.

Household Income

The following table summarizes the number of households by income level in Miami-Dade County for 2016:

Table 9.
Household Income

Average Household Income Level	Miami-Dade County Total Households	Miami-Dade County % of Total	BHSF PSA Total Households	BHSF PSA % of Total
Under $25,000	285,743	30%	95,226	25%
$25,000 - $49,999	238,213	25%	93,647	24%
$50,000 - $74,999	151,901	16%	65,769	17%
$75,000 - $99,999	90,817	10%	42,480	11%
$100,000 and over	177,441	19%	86,910	23%
Total	944,115	100%	384,032	100%

Source: Demographics Expert 2.7 © 2016 The Nielsen Company, © 2016 Truven Health Analytics Inc.

In 2016, there were 944,115 households in Miami-Dade County and 384,032 in the BHSF PSA. The number of households that comprises the BHSF's PSA accounted for approximately 41% of the Miami-Dade County total. Within the BHSF PSA, approximately 51% of the households have an income greater than $50,000 compared to approximately 45% of the households in Miami-Dade County with a similar income level.

Miami-Dade County Economic Indicators

Miami-Dade County's diverse economy includes international trade, transportation, utilities, government, education, health services, retail, manufacturing and construction. According to the State of Florida Department of Economic Opportunity, Miami-Dade County's labor market employs a total of 1,174,912 people, with 97% defined as Service Providing and 3% as Goods Producing.

Employers

Miami-Dade County's largest private employers include BHSF, the University of Miami, and American Airlines. Major public employers include Miami-Dade County Public Schools, Miami-Dade County, the Federal Government, the State of Florida and Jackson Memorial Hospital/Public Health Trust.

The following table highlights the top 10 employers in Miami-Dade County from the public and private sectors in 2015:

Table 10.
Top 10 Employers

Company Name	Employment
Miami-Dade County Public Schools	31,000
Miami-Dade County	24,692
Federal Government	19,300
Florida State Government	19,200
BHSF	15,891
University of Miami	13,864
American Airlines	11,773
Jackson Memorial Hospital/Public Health Trust	8,163
Florida International University	4,951
City of Miami	3,820

Source: Beacon Council, Business Profile & Relocation Guide 2016; BHSF employees from BHSF, as of September 30, 2016.

Tourism in Miami-Dade County remains strong. During 2015, a total of 15.5 million visitors came to Miami-Dade County, comprised of approximately 8.0 million domestic and 7.5 million international travelers. During their stays, these visitors generated $24.4 billion in expenditures.

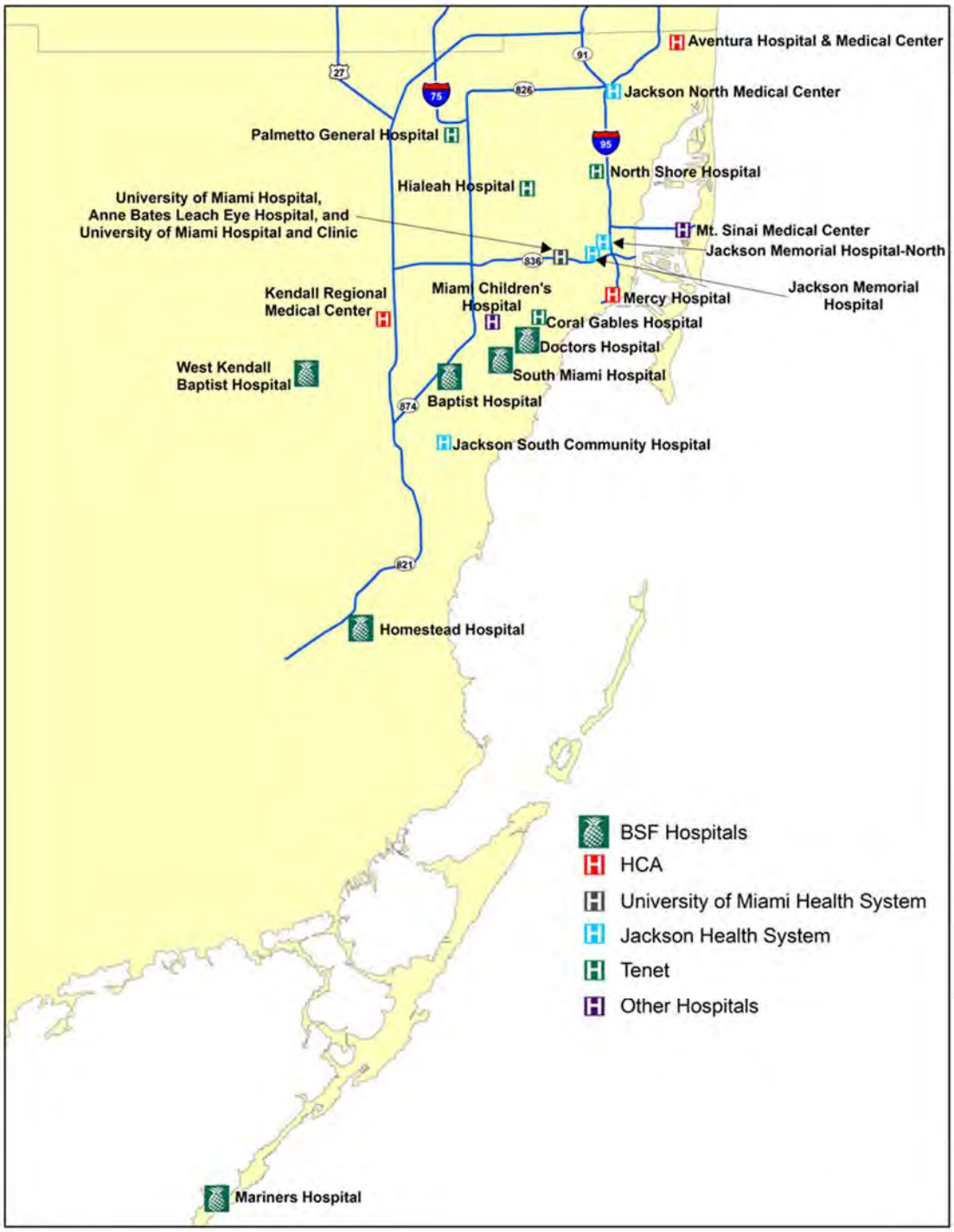
Competing Miami-Dade County Hospitals

Miami-Dade County has the largest concentration of medical facilities in Florida with 29 acute-care hospitals. Consolidation of hospital companies within the health care industry has resulted in the creation of four major health systems in Miami-Dade County: BHSF with five Miami-Dade County hospitals; Tenet Healthcare Corporation ("Tenet") with four hospitals; HCA, Inc. ("HCA") with three hospitals and one long-term acute care facility; and University of Miami Health System with three hospitals. The other major health care provider in Miami-Dade County is Jackson Health System with three hospitals. Jackson Health System is governed by the Public Health Trust, a team of citizen volunteers acting on behalf of the Miami-Dade Board of County Commissioners, and provides much of the indigent care in the community. In addition, there are seven other for-profit and three other not-for-profit hospitals operating in Miami-Dade County.

The BHSF System defines its competitors by virtue of geography, shared medical staff and service area, or based on programs and services.

The locations of the BHSF hospitals and key competitor facilities are reflected in the following map:

Table 11.
Map of Competing Hospitals



Jackson Health System

Jackson Health System consists of: Jackson Memorial Hospital, its main hospital located close to the downtown Miami area; Holtz Children's Hospital (a hospital within a hospital); Jackson North Medical Center (formerly Parkway Regional Medical Center, which was acquired by Jackson Health System in 2006), located in North Miami Beach; and Jackson South Community Hospital, located in the southern portion of Miami-Dade County; as well as multiple clinics and primary and specialty care centers, two long-term care nursing facilities, a network of mental health facilities, including one hospital, and a rehabilitation hospital. Jackson Health System had a combined 15.4% Miami-Dade market share in fiscal year 2015. Jackson Memorial Hospital is the County's only government/public hospital. It is the only fully approved adult and pediatric Level 1 trauma center in Miami-Dade County and the teaching hospital for the University of Miami, and is affiliated with Florida International University's College of Medicine. Jackson Memorial Hospital competes with BHSF in oncology, neurosurgery and pediatrics. In November 2013, Jackson Health System received county voter approval for an $830-million in bond issue to fund multiple projects (estimated total cost of $1.8 billion) including: a new 100-bed hospital (CON approved in December 2015) and outpatient center in Doral, new 80-bed rehab center on the Jackson Memorial campus, six new urgent care centers, and multiple renovation and expansion projects on all three major campuses.

Tenet

Tenet is one of the nation's largest investor-owned healthcare providers with 99 hospitals and surgery centers. Tenet has four hospitals located in Miami-Dade County: Coral Gables Hospital, Hialeah Hospital, North Shore Medical Center and Palmetto General Hospital. Its Miami-Dade County market share was 17% in fiscal year 2015. With the exception of Coral Gables Hospital, Tenet hospitals are not viewed as primary competitors to the BHSF hospitals, given their geographic distance from BHSF's facility locations, with most Tenet locations in the northern portion of the county. Tenet's Coral Gables Hospital is located approximately one mile from Doctors Hospital.

HCA

HCA is comprised of more than 250 hospitals and freestanding surgery centers located in 20 states and in the United Kingdom. HCA owns three hospitals in Miami-Dade County: Kendall Regional Medical Center, Aventura Hospital, and Mercy Hospital, a campus of Plantation General Hospital. In fiscal year 2015, HCA's combined Miami-Dade County market share was 17.3%. HCA has announced intentions to build a new hospital in Doral, Florida (the CON was denied in December 2015, and HCA is currently appealing this decision) and two new freestanding emergency departments in the Doral and Kendall neighborhoods.

Kendall Regional Medical Center is a BHSF competitor due to its geographic proximity, shared service area, and overlapping competitive services of obstetrics, pediatrics, cardiology and cardiac surgery. Kendall Regional's market share in fiscal year 2015 was 7.3%. Kendall Regional received Level II Trauma certification in April 2013 and provisional Level 1 certification in 2016. Kendall Regional Medical Center has reported it will be adding a new parking garage and a new four-story tower, which will house additional operating rooms, ICU beds, and pediatric beds.

Mercy Hospital, a campus of Plantation General Hospital, competes with BHSF by virtue of its geographic proximity and shared medical staff with South Miami Hospital and Doctors Hospital, for cardiology, obstetrics, cardiac surgery and oncology services. Mercy's market share in fiscal year 2015 was 4.8%. Mercy is one of several Miami-Dade County facilities that is affiliated with Florida International University's College of Medicine.

University of Miami Health System

University of Miami Health System owns three hospitals in Miami-Dade County: University of Miami Hospital (formerly Cedars Medical Center, which it acquired from HCA in December 2007), Sylvester Comprehensive Cancer Center (formerly University of Miami Hospital & Clinics), and Anne Bates Leach Eye Hospital, all located close to downtown Miami. University of Miami Health System's combined market share in fiscal year 2015 was 5.5%. The UHealth network also includes more than 30 outpatient centers in Miami Dade, Broward, Palm Beach, and Collier Counties. UHealth opened the new Lennar Foundation Medical Center on their Coral Gables campus in December 2016; the 200,000-square-foot outpatient center will include oncology and

ophthalmology specialty care, urgent care, outpatient surgery, men's and women's health, sports medicine, physical therapy, diagnostic imaging, radiation oncology, and other UHealth subspecialties.

Other Competitors

Mount Sinai Medical Center is a competitor of the cardiac programs at Baptist Hospital and South Miami Hospital. Mount Sinai is the market leader in cardiac surgery. Mount Sinai's market share in fiscal year 2015 was 5.7%. Mount Sinai is another Miami-Dade facility with an affiliation agreement with Florida International University's College of Medicine.

Nicklaus Children's Hospital (formerly Miami Children's Hospital), the only free-standing dedicated pediatric hospital in Miami-Dade County, is the market leader in pediatrics and competes with Baptist Children's Hospital and Jackson Memorial Hospital for children's services. Its fiscal year 2015 market share in Miami-Dade County was 2.6%. Nicklaus is located within the BHSF PSA just west of Coral Gables. Nicklaus Children's Health System has expanded its community satellite locations to include nine Outpatient Centers (five within the BHSF PSA) throughout Miami Dade, Broward, and Palm Beach Counties, as well as a primary care office and ambulatory surgery center in southern Miami-Dade County. Nicklaus Children's Hospital is also affiliated with Florida International University's College of Medicine.

The Miami Medical Center, built on the former Metropolitan Hospital of Miami campus, opened in February 2016, is a physician-owned concierge medical center that offers services such as orthopedics, spine, gynecologic oncology, and obstetrics. Miami Medical Center is jointly owned by Nueterra Healthcare, a healthcare investment company with experience in establishing multiple physician joint ventures similar to Miami Medical Center, Nicklaus Children's Hospital and VitalMD/Femwell (an integrated physician group). Miami Medical Center has a partnership agreement with the Nicklaus Children's Hospital to provide NICU services to premature babies born at the facility.

The Miami Medical Center does not have emergency services and does not follow EMTALA rules. Also, because physicians that comprise the medical staff own a significant minority interest in the company that operates Miami Medical Center, federal law prohibits the physician owners from admitting and billing Medicare and Medicaid patients, or referring Medicare or Medicaid patients to the hospital.

Market Share

The top six health systems or hospitals (BHSF System, Jackson Health System, Tenet, HCA, Mount Sinai Medical Center and University of Miami Health System) accounted for 82% of all Miami-Dade County inpatient discharges in fiscal year 2015. These health systems collectively represent 20 hospitals, approximately 69% of all hospitals in Miami-Dade County. The entire Miami-Dade County inpatient market grew by 0.8% from fiscal year 2014 to 2015, to a total of 315,867 inpatient discharges.

The following table highlights inpatient market share data for competing Miami-Dade County providers by hospital and health systems for fiscal years 2015 and 2014. The reported market shares include only inpatient discharges as reported to the State and do not include outpatient volumes, a portion of health care which has experienced significant growth and will continue to grow in the future.

Table 12.
Inpatient Market Share Data

Health System/Hospital	Fiscal Year 2015 Discharges [1]	Fiscal Year 2015 Market Share	Fiscal Year 2014 Discharges [1]	Fiscal Year 2014 Market Share
BHSF System:				
Baptist Hospital	30,496	9.7%	29,932	9.6%
South Miami Hospital	13,558	4.3%	14,308	4.6%
Homestead Hospital	9,746	3.1%	9,088	2.9%
West Kendall Baptist Hospital	7,161	2.3%	6,825	2.2%
Doctors Hospital	5,798	1.8%	5,383	1.7%
Mariners Hospital	21	0.0%	13	0.0%
Total BHSF System	66,780	21.2%	65,549	21.0%
Jackson Health System:				
Jackson Memorial Hospital & Jackson Memorial – North	31,851	10.0%	32,175	10.3%
Jackson South Community Hospital	9,341	3.0%	8,599	2.7%
Jackson North Medical Center	7,473	2.4%	7,526	2.4%
Total Jackson Health System	48,665	15.4%	48,300	15.4%
Tenet:				
Palmetto General Hospital	20,541	6.5%	19,955	6.4%
Hialeah Hospital	12,398	3.9%	11,905	3.8%
North Shore Medical Center	13,227	4.2%	12,364	3.9%
Coral Gables Hospital	7,664	2.4%	6,959	2.2%
Total Tenet	53,830	17.0%	51,183	16.3%
HCA:				
Kendall Regional Medical Center	23,122	7.3%	21,721	6.9%
Aventura Hospital and Medical Center	16,271	5.2%	17,116	5.5%
Mercy Hospital	15,049	4.8%	15,979	5.1%
Total HCA	54,442	17.3%	54,816	17.5%
Mount Sinai Medical Center:				
Mount Sinai Medical Center and Miami Heart	18,092	5.7%	18,054	5.8%
University of Miami Health System:				
University of Miami Hospital & Anne Bates Leach Eye Hospital	16,997	5.4%	16,597	5.3%
University of Miami Hospital & Clinic	404	0.1%	569	0.2%
Total University of Miami Health System	17,401	5.5%	17,166	5.5%
Other:				
Nicklaus Children's Hospital[2]	8,217	2.6%	8,505	2.7%
All Other Miami-Dade Hospitals	24,281	7.7%	24,867	7.9%
All Other Florida Hospitals	24,159	7.6%	24,911	7.9%
Grand Total	**315,867**	**100.0%**	**313,351**	**100.0%**

Source: Market Expert © 2016 The Nielsen Company, © 2016 Truven Health Analytics Inc.

Note (1): Excludes normal newborns. Discharge data includes only patients with Miami-Dade County patient origin.
Note (2): Formerly known as Miami Children's Hospital.

Affiliations with Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs)

The BHSF System operates in a service area dominated by managed care payors. Managed care began in Miami-Dade County in the 1980s as a result of demand from employers seeking ways to control health care costs. Today, approximately 34% of the Miami-Dade County residents under age 65 belong to an HMO, and recent statistics show that approximately 64% of the Medicare population is in a Medicare HMO. Approximately 61% of the inpatient and outpatient case volume within the BHSF System is related to managed care payors.

It is the BHSF System's primary objective to provide access to low-cost, quality healthcare for the communities it serves. As such, it is important for the BHSF System to have negotiated contracts with payors providing coverage in the BHSF System's service area. The BHSF System contracts with those payors with significant existing market share and with new payors who in management's opinion offer a competitive product and are organized, financially secure and marketing in the BHSF System's service area.

Management has negotiated a variety of different contractual arrangements, which may include the following or some combination of the following: per case, per diem, percent of charge, fee schedule, DRG, global (hospital and physician), shared savings and shared and full risk. In light of the recent focus on healthcare reform and the need to control healthcare costs, management is also engaging in discussions with its contracted payors to explore synergistic opportunities to further reduce healthcare spending. The opportunities being discussed are varied and include items such as simplifying contractual terms to reduce administrative costs, closer relationships with key physicians, enhanced use of information systems, inclusion of wellness programs and financial relationships with incentives to control the utilization of services.

Management believes that the BHSF System's ability to control costs, expertise to develop innovative managed care arrangements with its payors, and its ability to provide high quality, market-preferred, services represents a competitive advantage in the managed care arena.

DEBT STRUCTURE OF OBLIGATED GROUP

Outstanding Debt

Upon the issuance of the Series 2017 Notes offered pursuant to this Offering Memorandum, BHSF and its affiliates will have the following debt outstanding:

Table 13.
Pro Forma Debt of BHSF and Affiliates

	Outstanding Principal Balance [1]	Balloon Payment or Purchase Date
Long-Term Fixed Rate Debt		
Series 2017 Notes [2]	$250,000,000	2041
Series 2011 Notes [3]	250,000,000	August 15, 2021
Series 2007 Bonds [4]	701,765,000	Not applicable
Subtotal	$1,201,765,000	
Short-Term Debt		
Commercial Paper Notes [5]	$50,000,000	Maturities up to 270 days
Miscellaneous Debt		
Capital leases and miscellaneous notes [6]	$393,898	Not applicable
Total Debt	**$1,252,158,898**	

Note (1): For the Series 2017 Notes, this will be the principal balance upon issuance. For all other long-term fixed rate debt, this is the principal balance as of September 30, 2016. For the short term debt, this is the balance as of December 15, 2016 with a maturity date of January 9, 2017.

Note (2): These notes are the "Series 2017 Notes" offered pursuant to this Offering Memorandum.

Note (3): BHSF may use proceeds of the Series 2017 Notes to redeem the Series 2011 Notes subsequent to the issuance of the Series 2017 Notes, but may also in the discretion of BHSF be used to finance capital expenditures or other corporate purposes. See "PLAN OF FINANCING".

Note (4): These bonds are publicly held, tax-exempt bonds.

Note (5): BHSF initiated a taxable commercial paper note program in 2011. Up to $150 million of notes can be outstanding under this program.

Note (6): Miscellaneous capital leases and notes. See Note 6 of the audited financial statements in APPENDIX B.

Security for Payment of Outstanding Debt

All outstanding debt of the Obligated Group is included in Table 13. Except for the capital leases and miscellaneous notes described in Table 13, when the Series 2017 Notes are issued all debt of BHSF and the Obligated Group will be secured by the Master Indenture on an equal and proportionate basis. See "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 NOTES" in the front portion of the Offering Memorandum.

Debt of Non-Obligated Affiliates

BHSF has extended a $10,000,000 loan to BHE Hospitality, LLC, a wholly owned subsidiary of BHE, to cover expenses in connection with the design and development of a 184-room hotel to be constructed on land leased from Baptist Hospital, and anticipates loaning an additional amount of up to $50,000,000 to fund construction of the hotel.

Affiliates of BHSF that are not Members of the Obligated Group do not have any debt to any unrelated third parties.

Guarantees

No Member of the Obligated Group and no affiliate of BHSF that is not an Obligated Group Member has guaranteed any outstanding debt of another entity.

Hedge Agreements

Except for certain instruments as part of BHSF's investment portfolio, no Member of the Obligated Group has any interest rate swaps, derivatives or other hedging agreements outstanding. See note 1 of the audited financial statements in APPENDIX B.

Anticipated Debt

The Obligated Group Members do not currently expect to incur significant amounts of additional debt in the next three years to finance capital improvements to their facilities. This expectation could change depending on the Obligated Group's assessment of the need to finance new capital projects and market conditions.

The Obligated Group may refund portions of its outstanding debt over the next three years. The amount of debt outstanding is not expected to increase significantly as a result of any refunding.

Operating Leases

BHSF's operating leases are primarily related to its copy machines, miscellaneous medical equipment, parking and office space. Copy machine and miscellaneous medical equipment leases are subject to automatic renewal at the end of their respective lease terms for successive one-year periods under renegotiated terms and conditions. BHSF leases parking and office space under agreements that provide for terms of three to thirty years and renewals at rates to be negotiated. Rents are adjusted annually for changes in the consumer price index. Total lease expenses charged to operations for the year ended September 30, 2016, were approximately $20.8 million.

Annual Debt Service Requirements

The following table contains estimated annual debt service requirements on all long-term debt of the Obligated Group secured by the Master Indenture that will be outstanding when the Series 2017 Notes are issued. The table reflects the following assumptions, inclusions and omissions:

Long-Term Debt secured by Master Indenture. Table 14 includes all long-term debt of the Obligated Group secured by the Master Indenture. Excluded from the table are the following: (i) the Commercial Paper, which is also secured by the Master Indenture; and (ii) capital leases and miscellaneous notes, which are not secured by the Master Indenture. See Table 13 above.

Scheduled mandatory redemption requirements. The principal of long-term debt with scheduled mandatory redemption requirements (e.g., term bonds) is shown as payable in accordance with the scheduled mandatory redemption, unless such long-term debt is subject to a balloon payment prior to maturity.

Balloon Payments and Purchase Requirements. Debt subject to balloon payments is shown as payable on the scheduled balloon payment date, without giving effect to expected refinancing or smoothing provisions contained in the Master Indenture that are applicable for purposes of certain calculations with respect to debt incurrence and debt service coverage tests.

Estimated Interest Payments. Interest on variable rate long-term debt was estimated based on current market conditions.

Table 14.
Annual Debt Service Requirements on Debt

Fiscal Year Ending September 30	Principal Payments: Series 2017 Notes [1]	Series 2011 Notes [1]	Series 2007 Bonds	Total Principal [2]	Estimated Total Interest Payments	Estimated Total Debt Service
2017	-	-	$13,820,000	$13,820,000	$49,978,360	$63,798,360
2018	-	-	14,510,000	14,510,000	56,433,569	70,943,569
2019	-	-	15,235,000	15,235,000	55,708,069	70,943,069
2020	-	-	16,000,000	16,000,000	54,946,319	70,946,319
2021	-	$250,000,000	16,800,000	266,800,000	54,146,319	320,946,319
2022	-	-	17,640,000	17,640,000	41,831,319	59,471,319
2023	-	-	18,520,000	18,520,000	40,949,319	59,469,319
2024	-	-	19,445,000	19,445,000	40,023,319	59,468,319
2025	-	-	20,420,000	20,420,000	39,051,069	59,471,069
2026	-	-	21,440,000	21,440,000	38,030,069	59,470,069
2027	-	-	22,510,000	22,510,000	36,958,069	59,468,069
2028	-	-	23,635,000	23,635,000	35,832,569	59,467,569
2029	-	-	24,730,000	24,730,000	34,739,450	59,469,450
2030	-	-	25,875,000	25,875,000	33,595,688	59,470,688
2031	-	-	27,170,000	27,170,000	32,301,938	59,471,938
2032	-	-	28,525,000	28,525,000	30,943,438	59,468,438
2033	-	-	29,950,000	29,950,000	29,517,188	59,467,188
2034	-	-	31,335,000	31,335,000	28,132,000	59,467,000
2035	-	-	32,905,000	32,905,000	26,565,250	59,470,250
2036	-	-	34,550,000	34,550,000	24,920,000	59,470,000
2037	-	-	36,275,000	36,275,000	23,192,500	59,467,500
2038	-	-	38,090,000	38,090,000	21,378,750	59,468,750
2039	-	-	39,995,000	39,995,000	19,474,250	59,469,250
2040	-	-	41,995,000	41,995,000	17,474,500	59,469,500
2041	-	-	44,095,000	44,095,000	15,374,750	59,469,750
2042	$250,000,000	-	46,300,000	296,300,000	7,742,500	304,042,500
Total	**$250,000,000**	**$250,000,000**	**$701,765,000**	**$1,201,765,000**	**$889,240,567**	**$2,091,005,567**

Note (1): These are the "Series 2017 Notes" referred to in this Offering Memorandum.

Note (2): Includes all other debt in Table 13 of APPENDIX A other than the commercial paper, capital leases and miscellaneous notes.

FINANCIAL INFORMATION FOR THE OBLIGATED GROUP

The following tables present the condensed consolidated statements of operations and condensed consolidated balance sheets of BHSF and its affiliates as of the dates and for the periods indicated. The consolidated financial information as of September 30, 2014, 2015 and 2016, and for the years then ended, are derived from the audited consolidated financial statements included in APPENDIX B. The condensed consolidated financial statements have been prepared on a basis that is consistent with the audited financial statements included in APPENDIX B. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of BHSF and affiliates and related notes as set forth in APPENDIX B.

Table 15.
Baptist Health South Florida, Inc. and Affiliates
Consolidated Statements of Operations

	Fiscal Year Ended September 30,		
	2014	**2015**	**2016**
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:			
Net patient service revenue before provision for doubtful accounts	$2,508,321,369	$2,621,501,451	$2,609,991,253
Provision for doubtful accounts	292,171,303	336,719,587	305,201,993
Net patient service revenue	2,216,150,066	2,284,781,864	2,304,789,260
Rental revenue	14,888,206	12,218,969	10,729,689
Other operating revenue	49,964,037	60,324,363	60,622,927
Total unrestricted revenues, gains and other support	2,281,002,309	2,357,325,196	2,376,141,876
EXPENSES:			
Wages, salaries and benefits	1,167,185,460	1,214,333,465	1,328,662,763
Supplies	274,100,933	335,548,039	361,930,502
Malpractice and other insurance	47,025,589	57,039,040	60,265,233
Administrative and general	444,580,522	489,521,893	485,610,667
Depreciation and amortization	121,015,730	143,483,759	139,886,526
Interest	45,899,233	41,453,207	33,195,533
Total expenses	2,099,807,467	2,281,379,403	2,409,551,224
INCOME (LOSS) FROM OPERATIONS	181,194,842	75,945,793	(33,409,348)
OTHER INCOME (EXPENSE):			
Investment income (loss)	178,694,459	(156,102,811)	210,628,059
Other income – net	688	1,825	11,496
Total other income (expense)	178,695,147	(156,100,986)	210,639,555
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTERESTS	359,889,989	(80,155,193)	177,230,207
INCOME TAX PROVISION	3,368,418	1,307,559	1,601,398
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) FROM CONSOLIDATED OPERATIONS	356,521,571	(81,462,752)	175,628,809
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(12,715,016)	(12,690,144)	(12,988,099)
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) ATTRIBUTABLE TO BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES	$343,806,555	($94,152,896)	$162,640,710

The following table sets forth the consolidated balance sheets of BHSF and Affiliates for fiscal years ended September 30, 2014, 2015 and 2016.

Table 16.
Baptist Health South Florida, Inc. and Affiliates
Consolidated Balance Sheets

	As of September 30,		
	2014	**2015**	**2016**
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$85,381,928	$79,676,156	$119,139,925
Assets whose use is limited	699,753	686,403	25,497,378
Accounts receivable – net	270,981,468	294,911,601	263,976,660
Other current assets	112,845,373	108,134,910	120,574,948
Total current assets	469,908,522	483,409,070	529,188,911
ASSETS WHOSE USE IS LIMITED	2,751,608,965	2,412,969,902	2,412,904,524
OTHER INVESTMENTS	71,272,599	65,637,179	71,964,136
PROPERTY AND EQUIPMENT - NET	1,380,397,056	1,557,613,171	1,762,403496
GOODWILL	46,486,447	46,486,447	52,587,743
OTHER ASSETS	39,937,082	55,835,236	59,673,046
TOTAL ASSETS	$4,759,610,671	$4,621,951,005	$4,888,721,856
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	$19,740,568	$18,790,552	$16,097,507
Estimated third-party payor settlements	14,250,027	10,777,929	7,863,491
Commercial paper notes	-	-	25,000,000
Current maturities of long-term debt	32,372,251	13,160,000	13,909,846
Accrued wages, salaries and benefits	183,291,299	203,965,430	237,650,227
Accrued expenses and other current liabilities	286,448,716	291,669,501	329,138,565
Total current liabilities	536,102,861	538,363,412	629,659,636
LONG-TERM DEBT	977,705,358	963,559,870	949,124,662
OTHER LIABILITIES	158,667,422	137,682,551	144,855,647
Total liabilities	1,672,475,641	1,639,605,833	1,723,639,945
COMMITMENTS AND CONTINGENCIES			
NET ASSETS:			
Unrestricted			
Baptist Health South Florida, Inc. and Affiliates	3,013,919,250	2,892,690,987	3,064,162,101
Noncontrolling interests	8,979,637	9,033,076	15,483,553
Total unrestricted net assets	3,022,898,887	2,901,724,063	3,079,645,654
Temporarily restricted	51,633,733	67,756,995	72,275,283
Permanently restricted	12,602,410	12,864,114	13,160,974
Total net assets	3,087,135,030	2,982,345,172	3,165,081,911
TOTAL LIABILITIES AND NET ASSETS	$4,759,610,671	$4,621,951,005	$4,888,721,856

Effect of Consolidation

Amounts included in Table 17 include both Obligated Group and non-Obligated Group amounts. Obligated Group Members represent approximately 88% of revenues and 94% of total assets, and 130% of total income available for debt service of the BHSF System.

Table 17.
Financial Ratios

	As of and for the Fiscal Year Ended September 30,		
	2014	**2015**	**2016**
Liquidity			
Unrestricted cash and investments	$2,574,458,077	$2,286,808,043	$2,478,810,855
Restricted cash and investments	334,505,168	272,161,597	150,695,108
Total cash and investments	$2,908,963,245	$2,558,969,640	$2,629,505,963
Days' cash on hand (1)	474.9	388.6	398.8
Total debt (2)	$997,297,251	$964,925,000	$977,158,898
Cash-to-debt (3)	258.1%	237.0%	253.1%
Debt Service Coverage			
Income available for debt service (4)	$500,913,047	$363,146,394	$162,755,194
Current annual debt service requirement (5)	$63,478,507	$63,580,292	$61,737,569
Current annual debt service coverage (6)	789.1%	571.2%	263.6%
Pro forma maximum annual debt service (7)	$77,006,395	$77,006,395	$77,006,395
Pro forma maximum annual debt service coverage (8)	650.5%	471.6%	208.7%

Note (1): Days' cash on hand is unrestricted cash and investments as of the end of the fiscal year divided by cash operating expenses for that fiscal year / 365.

Note (2): Reflects debt outstanding as of the end of the fiscal year indicated. For pro forma debt after giving effect to the issuance of the Series 2017 Notes, see Table 13. "PRO FORMA DEBT OF BHSF AND AFFILIATES". The Obligated Group does not have any guaranty or other indirect debt outstanding.

Note (3): Cash-to-debt is unrestricted cash and investments as a percentage of total debt as of the end of the fiscal year indicated. Unrestricted cash and investments as of September 30, 2016 was $2,478,811,000 (rounded to nearest thousand), which is 198% of pro forma direct debt ($1,252,158,898 – see Table 13).

Note (4): Operating and non-operating income plus depreciation, amortization and interest expense. Unrealized gains and losses on investments are excluded.

Note (5): Includes actual principal and interest payments during the fiscal year. Does not include optional prepayments or redemptions or debt service refinanced or refunded.

Note (6): Income available for debt service ("IADS") for the fiscal year divided by current annual debt service requirement for the fiscal year. This is IADS for the BHSF and affiliates, as consolidated and reported in the audited financial statements of BHSF. This includes affiliates that are not members of the Obligated Group as well as Obligated Group members. IADS for the Obligated Group alone would be higher.

Note (7): This is computed in accordance with the Master Indenture definition of "Historical Pro Forma Debt Service Coverage Ratio". Debt service on "Balloon Indebtedness", which includes the Series 2017 Notes and the Series 2011 Notes, was calculated based on assumed level debt service over a period of 30 years from the due date of the "Balloon Indebtedness". See Section 415(G)(iii) of the Master Indenture included in APPENDIX C.

Note (8): Income available for debt service for the fiscal year indicated divided by pro forma maximum annual debt service.

MANAGEMENT'S DISCUSSION OF OPERATIONS

The following discussion and analysis of operations provides information that management believes is relevant to an assessment and understanding of BHSF's consolidated results of operations and financial condition. This discussion should be read in conjunction with the audited consolidated financial statements and accompanying notes set forth in APPENDIX B.

General

During the three fiscal years ended September 30, 2014 through September 30, 2016, BHSF's income from operations declined from a positive $181.2 million to a loss of $33.4 million. Management attributes this decline in income from operations to a challenging health care market that includes pressures on rate charges while expenses increased at a pace faster than net patient service revenue. In particular, BHSF experienced large increases in pharmaceutical costs, labor costs, professional fees paid to physicians, consulting costs and contract labor costs, all as described in more detail below. As a result of these factors, management expects continued losses from operations during fiscal year 2017.

In order to reverse this trend, management has put in place several initiatives. During fiscal year 2016, BHSF engaged a national consulting firm to assist with transforming the organization in response to the changing healthcare industry. This initiative, known as Transformation 2020, encompasses various aspects of the business. In 2016, the program focused on overhead and clinical expense reductions, opportunities to enhance evidence-based clinical care processes, and new revenue streams and contracting. During 2017, management intends to continue to focus on productivity improvements and reduction in overhead, the growth of centers of excellence, such as Miami Cancer Institute and Miami Cardiac and Vascular Institute to increase revenue, and the use of evidence-based clinical care initiatives.

Results of Operations

Financial Results – Fiscal Year 2016. The information presented below was derived from the consolidated financial statements of BHSF and its affiliates. The financial and statistical data referenced covers the fiscal year ended September 30, 2016, and has been compared to fiscal year 2015.

In fiscal year 2016 BHSF's loss from operations was approximately -$33.4 million and the operating margin was -1.4%, while the excess of revenues over expenses was $162.6 million and total margin was 6.8%. At the same time, BHSF remained true to its charitable mission—providing approximately $94.4 million in charity care, along with another $38.0 million in uncompensated care for those patients covered under state health care programs.

The BHSF hospitals were extremely busy for the year ended September 30, 2016. Although inpatient admissions were 1.4% below the prior year, observation patient volume exceeded the prior year by 14.3%. Reflecting BHSF's continuing emphasis on utilization management, there was a 3.2% decrease in the overall average length of stay (case mix adjusted). The average length of stay in the BHSF hospitals decreased from 3.40 days as of September 30, 2015, to 3.29 days as of September 30, 2016. Overall outpatient activity increased significantly during the year. Compared to the prior year, emergency department visits increased 2.9% and visits to BHSF urgent care centers were higher by 3.7%. Overall hospital surgical volumes increased by 1.4%. System-wide adjusted admissions increased 0.8% compared to the prior year.

During fiscal year 2016, BHSF engaged a national consulting firm to assist with transforming the organization in response to the changing healthcare industry. This initiative, known as Transformation 2020, encompasses various aspects of the business; in 2016, the program focused on overhead and clinical expense reductions, opportunities to enhance evidence-based clinical care processes, and new revenue streams and contracting.

Net patient service revenue for the year ended September 30, 2016, was $2.3 billion, an increase of 0.9% over fiscal year 2015. Strong outpatient volume, and continuing improvements in all phases of the net revenue cycle contributed to the improvement in net patient service revenue. Acquisitions contributed to approximately $35.0

million in year-over-year revenue growth due to the full year of activity of a large oncology physician practice early acquired in fiscal year 2015, as well as a new joint venture ambulatory surgery center in Palm Beach County opened in fiscal year 2016. During fiscal year 2016, BHSF settled several long-standing disputes with third-party payors related to contractual issues totaling $24.1 million, which is included in net patient revenue as an adjustment to discounts and allowances; prior year settlements received were $10.6 million.

BHSF's labor costs for fiscal year 2016 rose 9.4%, compared to fiscal year 2015. However, with the exclusion of two notable one-time items in the current and prior year, the increase was 3.9%. In fiscal year 2015, BHSF closed the postretirement health benefit plan resulting in a settlement gain of $52.3 million that was reflected as a reduction in wages, salaries, and benefits expenses. In the fourth quarter of fiscal year 2016, an expense of $13.1 million was recorded to reflect termination benefit payments for over 500 employees who participated in the Voluntary Separation Opportunity, a plan that allowed employees to receive enhanced benefits in exchange for voluntarily terminating employment at BHSF. The average salary and benefits expense per employee as of September 30, 2016, was approximately 8.5% higher than the previous year, reflecting the one-time adjustments noted above, merit increases, certain "market basket" adjustments as deemed necessary based on a continual monitoring of community pay scales, and the staffing mix. In addition to highly competitive salaries and benefits, BHSF has implemented many programs to attract and retain workforce. Scholarships, on-site nursing programs, and subsidized child care centers are a few of the initiatives BHSF offers its employees. At the same time, BHSF is focusing on right-sizing staffing levels, as noted by the fact that efficiency improved by approximately 5.3% during fiscal year 2016. Including the employees who left the organization as part of the Voluntary Separation Opportunity, BHSF headcount as of September 30, 2016 was approximately 720 lower than September 30, 2015. These reductions, primarily at the BHSF hospitals and corporate offices, were partially offset by increased physician practice and outpatient surgery center staff, as well as growth related to opening of the new Miami Cancer Institute facility.

During fiscal year 2016, BHSF supply costs increased by 7.9%. This increase was driven by a 23.9% increase in pharmaceutical costs as part of year-over-year growth in oncology services. This activity represents a full year of operations of BHMG Oncology, a practice within the BHMG that was acquired early in fiscal year 2015.

The 5.7% increase in insurance expense during the year ended September 30, 2016, is primarily due to greater exposure due to overall volume growth and a reduction in the actuarially determined losses and loss reserves related to the BHSF self-insurance medical malpractice and general liability program that were slightly lower than the prior year. These reductions are a direct result of BHSF's management of claims. Property and casualty, auto, director's and officer's liability and other insurance costs were lower compared to premiums for like coverage in fiscal year 2015.

Administrative and general expenses declined 0.8% during fiscal year 2016. This decline was the direct result of the above-referenced Transformation 2020 initiative. Despite the start of the system-wide implementation of the Cerner Millenium EMR system, there were declines in year-over-year information technology consulting, equipment and support costs of approximately 15.5%. Additionally, significant reductions in marketing, travel, plant operations, and other administrative and general expenses were a result of across-the-board efficiencies achieved throughout the System. These reductions were partially offset by professional fees paid to physicians, primarily under global billing arrangements, emergency call services, and medical director administrative services, which increased by 3.7%. Consulting costs and contract labor also increased by approximately 15.1%. Additionally, South Miami Hospital recorded a one-time $12.5 million expense to settle a compliance issue.

Other income results primarily from interest and dividends, net realized gains and losses on the sale of investments and the change in net unrealized gains and losses of investments. Other income for fiscal year 2016 was approximately $210.6 million, consisting of approximately $54.7 million in interest and dividends, net realized investment losses of approximately $31.6 million, the change in net unrealized gains and losses of approximately $187.6 million. The diversification of BHSF's investment portfolio and Management's disciplined investment approach is designed with the objective to yield results over the long term that exceed the market as a whole.

Financial Results – Fiscal Year 2015. The information presented below was derived from the consolidated financial statements of BHSF and its affiliates. The financial and statistical data referenced covers the fiscal year ended September 30, 2015, and has been compared to fiscal year 2014. During fiscal year 2015, overall utilization

increased 5.3%. During fiscal year 2015, BHSF's income from operations was approximately $75.9 million and the operating margin was 3.2%. Admissions at the BHSF hospitals increased 2.2%, while patient days increased 2.3%, resulting in an average length of stay that was essentially flat. At the same time, outpatient volume increased significantly, as emergency and urgent care visits increased by 5.2% and 10.8%, respectively, and hospital observation stays increased 6.4%. In addition to the increased utilization at the BHSF hospitals, registrations at BOS diagnostic imaging centers increased 1.9% and the related imaging procedures increased 9.1%. Fiscal year 2015 also saw BHSF double the size of its employed physician group with a first-quarter acquisition of a large oncology physician group. As a result, patient encounters by the medical group increased by 50.7% year-over-year.

Net patient service revenue for the year ended September 30, 2015, was approximately $2.3 billion, a 3.1% increase over prior year. More than half of this increase was due to the acquisition noted above with the remaining increase related to higher negotiated rates, process improvements in the revenue cycle and the above mentioned increase in utilization.

BHSF's labor cost increased 4.0% in fiscal year 2015, compared to fiscal year 2014. At the same time, staffing ratios were essentially flat while the average salary and benefits cost per employee decreased 1.3%, during fiscal year 2015. Included in 2015 salaries and benefits expense is a one-time cost as BHSF closed the postretirement health benefit plan, which resulted in a settlement gain of $52.3 million that was reflected as a reduction in wages, salaries, and benefits expenses.

Supplies expense grew by $61.4 million, a 22.4% increase. Ninety-four percent of this increase was due to higher pharmaceutical supplies, driven by higher chemotherapy supply cost related to the oncology practice acquisition.

Malpractice and other insurance expenses increased by 21.3% between fiscal year 2014 and fiscal year 2015. The amount of loss and loss reserves are actuarially determined and are based on BHSF losses, trends and risk exposure; however, they are also influenced by the overall experience of the healthcare industry. The increase is mostly due to fiscal year 2014 being a year with excellent loss experience; 2014 expense was $20 million lower than the year before.

Administrative and general expenses increased significantly during fiscal year 2015, increasing 10.1%. A main driver of the increase was higher information technology consulting expenses as well as costs related to the above-noted acquisition. Additionally, administrative and general expenses include, but are not limited to: contract labor cost, primarily nursing, incurred to supplement patient care staffing requirements; professional fees which are comprised solely of payments to physicians for providing medical care to indigent patients of BHSF, emergency department "On Call" fees, administrative services provided as officers of the medical staffs and department chiefs, and pass-through payments for the professional component of global billing arrangements; plant operating expenses; office and equipment rentals; and payments under the State of Florida Public Medical Assistance Trust Fund.

Other expenses for fiscal year 2015 were approximately $156.1 million primarily comprised of net investment losses. Losses generated by the BHSF investment portfolio were net of approximately $58.5 million in interest and dividends, approximately $43.7 million in net realized gains on sales of securities and approximately $258.4 million in a downward change in net unrealized gains and losses. The net investment loss in fiscal year 2015 represents a substantial decline compared to the net investment gain in fiscal year 2014, which was $178.7 million.

EMPLOYEE RELATIONS

As of September 30, 2016, the BHSF System employed 15,891 people (representing 14,794 full-time equivalent employees), of which 4,521 were at Baptist Hospital, 2,318 at South Miami Hospital, 909 at Doctors Hospital, 1,199 at Homestead Hospital, 231 at Mariners Hospital, 1,138 at West Kendall Baptist Hospital, 42 at the Foundation, 1,019 at BOS, 155 at BHE, 926 at Baptist Health Medical Group (BHMG), 194 at Miami Cancer Institute (MCI) and 3,239 in the various BHSF Corporate functions. BHSF considers employee engagement and employee relations to be very positive overall. The employees of the BHSF System are not represented by any union and are not covered by any collective bargaining agreements.

BHSF continually evaluates its efforts to attract and retain talent and, as such, maintains a variety of programs designed to engage and retain employees. Some of these programs include a nurse scholar program to train employees and nursing students to become registered nurses, tuition reimbursement and various employee assistance and wellness programs. BHSF continues to support employees by its commitment to respect and fairness as evidenced by its employee forums, grievance process and open door policy. In recognition that people are its number one priority, the BHSF System refocused its employment brand through a strategic initiative entitled "The best place to be your best" and continues to maintain its status as a Fortune 100 Best Places To Work employer. With the commitment of executive leadership, these initiatives are focused on a variety of areas including employee pay and benefits, talent development, succession, leading edge technology and employee communications.

Retirement Plan

BHSF does not have a defined benefit pension plan. Rather, BHSF sponsors a system-wide defined contribution plan in which participation is available to all employees. Employees of all BHSF entities are eligible for participation in the retirement plan. Under the terms of the retirement plan, BHSF provides a basic contribution of 3% of employees' earnings. In addition, BHSF matches 50% of the amount the participating employee has contributed through a salary reduction agreement with BHSF. The maximum matching contribution is limited to 2% of the employee's gross salary. Provisions of the retirement plan include 100% vesting of BHSF contributions after three years of continuous service with benefits payable upon retirement, total disability or death. The funding levels for the plan are subject to periodic determination by the Board of Trustees of BHSF. Costs incurred in connection with the retirement plan for the fiscal years ended September 30, 2016 and 2015, were approximately $44.2 million and $42.1 million, respectively.

COMPREHENSIVE RISK MANAGEMENT PROGRAM

BHSF maintains a comprehensive organization-wide program to mitigate risks, which includes the procurement of professional liability, general liability, property and business interruption, workers' compensation, automobile, directors and officers liability, and kidnap/ransom insurance, as well as other customary insurance. All insurance policies are purchased through commercial insurance carriers. The insurance program is administered by the Corporate Vice President, Supply Chain Services. Oversight of the program is through BHSF's Executive Vice President and Chief Financial Officer as well as the Finance and Insurance Committee of the BHSF Board of Trustees. The insurance program is periodically reviewed by independent insurance consultants to assure that the program is consistent with industry standards. BHSF's insurance consultants are paid a fee in exchange for their consulting services and are not permitted to serve as a broker or otherwise financially participate in any of our insurance decisions. Additionally, BHSF's insurance consultant, broker and insurance carriers are selected through a competitive process. Despite the fact that BHSF has a disciplined and aggressive program to manage and minimize insurance expenses, higher insurance costs are anticipated over the next several years, because the industry loss experience for malpractice, property and other insurance has been significantly worse in South Florida than for most other areas of the country, making this a particularly difficult insurance market.

Liability and Property Coverage

The Obligated Group is self-insured for professional and general liability coverage. Coverage in excess of the self-insurance limits, less coinsurance, is provided on a claims-made basis by Pineapple Insurance Company, a single parent, Cayman Islands captive insurance company formed by BHSF. Pineapple Insurance Company reinsures 100% of its professional and general liability risk with unrelated commercial insurance carriers.

The Obligated Group is self-insured for property insurance, including windstorm, earthquake and fire damage. A commercially reasonable amount of property re-insurance is maintained with a domestic carrier. The cost and availability of property insurance and the relevant risk factors involved are constantly evolving over time. The BHSF System continues to assess the cost and needs for insurance on an ongoing basis.

Climate Change and Severe Weather

The Obligated Group is subject to the effects of severe weather and climate change in its service area. See "RISK FACTORS – Climate Change and Severe Weather". The Obligated Group monitors these risks through its insurance products.

LITIGATION

To the knowledge of the Obligated Group, there is no controversy or litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of this Series 2017 Notes, or in any way contesting or affecting the validity of the Series 2017 Notes.

The nature of BHSF's business generates claims and litigation against BHSF, the BHSF hospitals and BOS arising in the ordinary course of its activities. At any given time, BHSF, the BHSF hospitals and BOS have a number of lawsuits pending against it based on alleged medical malpractice. Given BHSF's medical malpractice insurance program and the level of self-insured retention reserves, it is the opinion of BHSF's management, based on consultation with counsel, that resolution of such suits now pending will not have a material adverse effect on the financial condition of BHSF and affiliates.

In November 2016, South Miami Hospital settled a False Claims Act lawsuit, which included allegations that a non-employed physician performed unnecessary procedures at the Hospital, including electrophysiology studies. The settlement agreement with the Department of Justice did not include an admission of liability and included a settlement payment of $12,500,000 and the execution of a Corporate Integrity Agreement between South Miami Hospital and the DHHS Office of Inspector General. The settlement closed this matter as to all BHSF defendants.

In an unrelated matter, since 2013, the Department of Justice has been investigating a non-employed physician who has privileges at South Miami Hospital. In July 2015, the Department of Justice informed South Miami Hospital that it also is being investigated with respect to the Hospital's conduct in this matter. The Hospital and BHSF are cooperating with this investigation and complying with applicable investigative requests, including grand jury subpoenas. At this time, BHSF cannot predict when this matter will be resolved, any estimated loss or range of loss to BHSF in connection with such matter, or what impact, if any, such matter might have on the consolidated financial position, results of operations or cash flows of BHSF and Affiliates.

There are no other controversies or litigation of any nature against a Member of the Obligated Group, including any malpractice claims, now pending or, to the knowledge of such Member, threatened which, in the opinion of the affected Member of the Obligated Group, would have a material adverse impact on the financial condition of such Member.

COMPLIANCE PROGRAM

The BHSF Compliance Program is a formalized program administered on a centralized basis. The Compliance Program is managed and directed by the BHSF Corporate Vice President of Audit and Compliance, who reports directly to the Audit and Compliance Committee of the BHSF Board of Trustees and has regular and unrestricted access to BHSF senior management, the Board of Trustees of BHSF and the Board of Directors of each affiliate. The Compliance Program is designed to prevent and detect violations of the law. A written Code of Ethics was developed by senior management under the direction of the BHSF Board of Trustees. The Code of Ethics is distributed to all employees, vendors, members of the medical staff and all Board Trustees and Directors. In addition, all new employees receive training and instruction on the Code of Ethics and the BHSF Compliance Program through mandatory employee orientation programs. On an ongoing basis, all employees also receive mandatory, annual compliance training. The Corporate Vice President of Audit and Compliance is responsible for the timely follow up and resolution of all compliance matters reported on the Compliance Hotline and from any other source of information. Results of the Compliance Program are reported at least semi-annually to the BHSF

Board of Trustees by the Corporate Vice President of Audit and Compliance. In connection with the USDOJ settlement described above, South Miami Hospital is a party to a Corporate Integrity Agreement with the Department of Health and Human Services OIG.

APPENDIX B.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES AS OF SEPTEMBER 30, 2016 AND 2015

[THIS PAGE INTENTIONALLY LEFT BLANK]

BAPTIST HEALTH SOUTH FLORIDA, INC.
AND AFFILIATES

Annual Financial Report as of and for the Years Ended
September 30, 2016 and 2015

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	Page
REPORT OF MANAGEMENT	1
CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016 AND 2015, AND FOR THE YEARS THEN ENDED, SUPPLEMENTAL CONSOLIDATING AND COMBINING INFORMATION AS OF SEPTEMBER 30, 2016, AND FOR THE YEAR THEN ENDED, AND INDEPENDENT AUDITORS' REPORT	2

REPORT OF MANAGEMENT

The management of Baptist Health South Florida, Inc. is responsible for the integrity and objectivity of the financial statements of Baptist Health and affiliates ("Baptist Health"). The annual financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, and include amounts that are based on our best judgments with due consideration given to materiality.

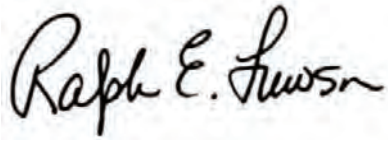
Management is responsible for establishing and maintaining a system of internal controls over financial reporting and safeguarding assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance as to the integrity and reliability of financial reporting and safeguarding of assets. The concept of reasonable assurance is based on the recognition that there are inherent limitations in all systems of internal controls and that the cost of such systems should not exceed the benefits to be derived from them.

Management believes that the foundation of an appropriate system of internal controls is a strong ethical company culture and climate. It has always been the policy and practice of Baptist Health to conduct its affairs in a highly ethical and socially responsible manner. This responsibility is characterized and reflected in Baptist Health's Code of Ethics (the "Code") that is distributed throughout Baptist Health. Management maintains a systematic program to ensure compliance with this Code.

The Audit and Compliance Committee of the Board of Trustees, which is composed of independent persons who are not employees, meets periodically with management, the internal auditors and the independent auditors to review the manner in which these groups are performing their responsibilities and to carry out the Audit and Compliance Committee's oversight role with respect to auditing, internal controls and financial reporting matters. Both the internal auditors and the independent auditors periodically meet privately with the Audit and Compliance Committee and have access to its individual members.

Baptist Health engaged Deloitte & Touche LLP, independent auditors, to audit our accompanying consolidated financial statements as of and for the years ended September 30, 2016 and 2015, in accordance with auditing standards generally accepted in the United States of America. Their report follows.

Brian E. Keeley
President and Chief Executive Officer



Ralph E. Lawson
Executive Vice President and
Chief Financial Officer

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	2
CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016 AND 2015 AND FOR THE YEARS THEN ENDED:	
Balance Sheets	4
Statements of Operations	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
SUPPLEMENTAL CONSOLIDATING INFORMATION FOR BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES AS OF SEPTEMBER 30, 2016, AND FOR THE YEAR THEN ENDED:	
Balance Sheet Information	30
Statement of Operations Information	31
SUPPLEMENTAL COMBINING INFORMATION FOR BAPTIST HEALTH SOUTH FLORIDA, INC. HOSPITALS AS OF SEPTEMBER 30, 2016, AND FOR THE YEAR THEN ENDED:	
Balance Sheet Information	32
Statement of Operations Information	33

Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
333 Southeast 2nd Avenue
Suite 3600
Miami, FL 33131
USA

Tel: +1 305 372 3100
Fax: +1 305 372 3160
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Baptist Health
South Florida, Inc. and Affiliates:

We have audited the accompanying consolidated financial statements of Baptist Health South Florida, Inc. and affiliates ("BHSF"), which comprise the consolidated balance sheets as of September 30, 2016 and 2015, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BHSF's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BHSF's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BHSF as of September 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating balance sheet and statement of operations information of BHSF on pages 30 and 31 and the supplemental combining balance sheet and statement of operations information of Baptist Health South Florida, Inc. Hospitals on pages 32 and 33 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and are not a required part of the consolidated financial statements. This information is the responsibility of BHSF's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

December 20, 2016

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2016 AND 2015

ASSETS	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	$119,139,925	$79,676,156
Assets whose use is limited	25,497,378	686,403
Accounts receivable - net	263,976,660	294,911,601
Other current assets	120,574,948	108,134,910
Total current assets	529,188,911	483,409,070
ASSETS WHOSE USE IS LIMITED	2,412,904,524	2,412,969,902
OTHER INVESTMENTS	71,964,136	65,637,179
PROPERTY AND EQUIPMENT - NET	1,762,403,496	1,557,613,171
GOODWILL	52,587,743	46,486,447
OTHER ASSETS	59,673,046	55,835,236
TOTAL ASSETS	$4,888,721,856	$4,621,951,005
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$16,097,507	$18,790,552
Estimated third-party payor settlements	7,863,491	10,777,929
Commercial paper notes	25,000,000	
Current maturities of long-term debt	13,909,846	13,160,000
Accrued wages, salaries and benefits	237,650,227	203,965,430
Accrued expenses and other current liabilities	329,138,565	291,669,501
Total current liabilities	629,659,636	538,363,412
LONG-TERM DEBT	949,124,662	963,559,870
OTHER LIABILITIES	144,855,647	137,682,551
Total liabilities	1,723,639,945	1,639,605,833
COMMITMENTS AND CONTINGENCIES (see Note 14)		
NET ASSETS:		
Unrestricted:		
Baptist Health South Florida, Inc. and Affiliates	3,064,162,101	2,892,690,987
Noncontrolling interests	15,483,553	9,033,076
Total unrestricted net assets	3,079,645,654	2,901,724,063
Temporarily restricted	72,275,283	67,756,995
Permanently restricted	13,160,974	12,864,114
Total net assets	3,165,081,911	2,982,345,172
TOTAL LIABILITIES AND NET ASSETS	$4,888,721,856	$4,621,951,005

See accompanying notes to consolidated financial statements.

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:		
Net patient service revenue before provision for doubtful accounts	$2,609,991,253	$2,621,501,451
Provision for doubtful accounts	305,201,993	336,719,587
Net patient service revenue	2,304,789,260	2,284,781,864
Rental revenue	10,729,689	12,218,969
Other operating revenue	60,622,927	60,324,363
Total unrestricted revenues, gains and other support	2,376,141,876	2,357,325,196
EXPENSES:		
Wages, salaries and benefits	1,328,662,763	1,214,333,465
Supplies	361,930,502	335,548,039
Malpractice and other insurance	60,265,233	57,039,040
Administrative and general	485,610,667	489,521,893
Depreciation and amortization	139,886,526	143,483,759
Interest	33,195,533	41,453,207
Total expenses	2,409,551,224	2,281,379,403
(LOSS) INCOME FROM OPERATIONS	(33,409,348)	75,945,793
OTHER INCOME (EXPENSE):		
Investment income (loss)	210,628,059	(156,102,811)
Other income - net	11,496	1,825
Total other income (expense)	210,639,555	(156,100,986)
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTERESTS	177,230,207	(80,155,193)
INCOME TAX PROVISION	1,601,398	1,307,559
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) FROM CONSOLIDATED OPERATIONS	175,628,809	(81,462,752)
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(12,988,099)	(12,690,144)
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) ATTRIBUTABLE TO BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES	$162,640,710	($94,152,896)

See accompanying notes to consolidated financial statements.

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
UNRESTRICTED NET ASSETS:		
Excess of revenues over expenses (expenses over revenues) from consolidated operations	$175,628,809	($81,462,752)
Net assets released from restrictions used for property and equipment acquisitions	9,162,687	8,031,679
Change in value of split-interest agreements	(342,818)	(166,206)
Transfers from temporarily restricted net assets	10,535	5,659
Changes in accumulated postretirement benefit obligation other than periodic benefit cost		(34,946,499)
Sale of limited partnership interests	326,703	
Purchase of limited partnership interests	(552,897)	(113,113)
Partnership distributions	(11,671,266)	(12,528,492)
Noncontrolling interest related to AmSurg Baptist Network Alliance		4,900
Noncontrolling interests related to acquisition of Northpoint Surgery Center	5,359,838	
Increase (decrease) in unrestricted net assets	177,921,591	(121,174,824)
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	17,602,814	27,471,862
Restricted income on temporarily restricted contributions	70,454	65,780
Net assets released from restrictions	(13,135,945)	(10,990,638)
Transfers to unrestricted net assets	(10,535)	(5,659)
Provision for uncollectable pledges	(8,500)	(418,083)
Increase in temporarily restricted net assets	4,518,288	16,123,262
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	296,860	265,239
Provision for uncollectable pledges		(3,535)
Increase in permanently restricted net assets	296,860	261,704
INCREASE (DECREASE) IN NET ASSETS	182,736,739	(104,789,858)
NET ASSETS - BEGINNING OF YEAR	2,982,345,172	3,087,135,030
NET ASSETS - END OF YEAR	$3,165,081,911	$2,982,345,172

See accompanying notes to consolidated financial statements.

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$182,736,739	($104,789,858)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	139,886,526	143,483,759
Provision for doubtful accounts	305,201,993	336,719,587
Accretion of bond premium	(919,260)	(985,488)
Deferred income tax	1,533,399	(999,501)
Realized losses (gains) on sales of securities - net	31,647,184	(43,720,179)
Change in net unrealized gains and losses	(187,557,072)	258,364,621
Sales of limited partnership interests	(326,703)	
Purchases of limited partnership interests	552,897	113,113
Partnership distributions	11,671,266	12,528,492
Noncontrolling interest related to the acquisition of Northpoint Surgery Center	(5,359,838)	
Noncontrolling interest related to AmSurg Baptist Network Alliance		(4,900)
Gain on disposal of assets - net	95,174	(886,468)
Changes in accumulated postretirement benefit obligation other than periodic benefit cost		(16,808,624)
Changes in assets and liabilities:		
Net increase in accounts receivable	(274,267,052)	(354,325,067)
Net increase in other assets	(17,917,474)	(8,986,630)
Net decrease in accounts payable	(2,693,045)	(950,016)
Net decrease in third-party payor settlements	(2,914,438)	(3,472,098)
Net increase (decrease) in accrued expenses and other liabilities	48,435,872	(11,430,209)
Net increase in accrued wages, salaries and benefits	33,684,797	20,977,791
Net cash provided by operating activities	263,490,965	224,828,325
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(347,721,185)	(301,119,755)
Acquisitions of physician practices and surgery centers	(2,463,668)	(10,566,510)
Sales of limited partnership interests	326,703	
Purchases of limited partnership interests	(552,897)	(113,113)
Purchases of investments	(3,556,844,299)	(3,345,761,393)
Proceeds from sales and maturities of investments	3,683,136,215	3,471,922,517
Net cash used in investing activities	(224,119,131)	(185,638,254)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of commercial paper	24,987,917	
Repayment of debt	(13,224,716)	(32,372,251)
Noncontrolling interests related to AmSurg Baptist Network Alliance		4,900
Partnership distributions	(11,671,266)	(12,528,492)
Net cash provided by (used in) financing activities	91,935	(44,895,843)
NET CHANGE IN CASH AND CASH EQUIVALENTS	39,463,769	(5,705,772)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	79,676,156	85,381,928
CASH AND CASH EQUIVALENTS, END OF YEAR	$119,139,925	$79,676,156
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest - net of amounts capitalized	$34,092,000	$42,156,000
Cash paid for income taxes	$1,233,600	$4,737,000

See accompanying notes to consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Baptist Health South Florida, Inc. ("BHSF" or "Baptist Health"), a not-for-profit Florida corporation located in Miami-Dade County, Florida, is the parent of a system of not-for-profit hospitals and other not-for-profit and for-profit corporations.

Mission - The mission of Baptist Health is to improve the health and well-being of individuals, and to promote the sanctity and preservation of life, in the communities it serves. Baptist Health is a faith-based organization guided by the spirit of Jesus Christ and the Judeo-Christian ethic, and is committed to maintaining the highest standards of clinical and service excellence, rooted in the utmost integrity and moral practice. Consistent with its spiritual foundation, Baptist Health is dedicated to providing high-quality, cost-effective, compassionate healthcare services to all, regardless of religion, creed, race or national origin, including, as permitted by its resources, charity care to those in need.

Organization - The not-for-profit hospitals comprising BHSF are Baptist Hospital of Miami, Inc. ("Baptist Hospital"), Doctors Hospital, Inc. ("Doctors Hospital"), Homestead Hospital, Inc. ("Homestead Hospital"), South Miami Hospital, Inc. ("South Miami Hospital") and West Kendall Baptist Hospital, Inc. ("West Kendall Baptist Hospital"), all located in south Miami-Dade County, Florida, and Mariners Hospital, Inc. ("Mariners Hospital") located in Monroe County, Florida (collectively, the "BHSF Hospitals"). BHSF also includes Baptist Outpatient Services, Inc. ("BOS"), a Florida not-for-profit corporation, which owns and operates two large diagnostic imaging centers, one located on the Baptist Hospital campus, and a second center located on the West Kendall Baptist Hospital campus, 13 satellite diagnostic imaging facilities in Miami-Dade and Broward counties, and a home health agency, and manages 17 urgent care centers, of which seven operate under the license of Baptist Hospital and ten under the license of South Miami Hospital; Baptist Health Medical Group, Inc. ("BHMG"), is a Florida not-for-profit corporation, which is the sole member of various physician practice limited liability companies that employ over 190 physicians, providing medical services to various BHSF affiliates; and Baptist Health South Florida Foundation, Inc. (the "Foundation"), a Florida not-for-profit corporation, whose purpose is to raise funds for the other not-for-profit corporations within BHSF.

Baptist Health Enterprises, Inc. ("BHE") is a for-profit Florida corporation, which is wholly owned by BHSF. BHE's lines of business include real estate, outpatient surgery centers, sleep diagnostic centers, endoscopy centers, collection services, a network of physicians designed to promote quality care, and a planned 184 room hotel on the Baptist Hospital campus expected to open in Fall 2018. Most of the entities which operate these various service lines are wholly owned by BHE, however the ambulatory surgery, endoscopy, and sleep centers are operated through partnerships or limited liability companies, with majority ownership held by a general partner or member that is a BHE affiliate.

BHSF owns Pineapple Insurance Company ("PIC"), a single-parent, Cayman Islands captive insurance company, to facilitate BHSF's professional and general liability, self-insurance and property insurance programs, including contracting for reinsurance (see Note 8). Samaritan Risk Retention Group, Inc. ("SRRG" and together with PIC, the "Insurance Companies") is licensed to transact business under the laws of the state of South Carolina. SRRG is also chartered as a risk retention group and is registered to conduct business in the state of Florida. SRRG was organized for the purpose of offering professional liability insurance to qualifying physicians. In March 2006, SRRG issued a surplus note in the amount of $5,000,000 to BHSF. Until the note is satisfied, the governing Board of Directors of SRRG is elected by proxy and controlled by BHSF. Principal payments on this note began in fiscal year 2015.

Baptist Cardiac & Vascular Institute Management Company, LLC ("BCVI Management Company"), a Florida limited liability company, was formed with a 50% interest held by Baptist Hospital. In July 2015, Miami Cardiac & Vascular Institute Management Company, LLC ("MCVI Management Company"), a Florida limited liability company, was formed. Both BCVI Management Company and MCVI Management Company were established to provide management services for the Miami Cardiac & Vascular Institute. BHSF has a 50% interest in MCVI Management Company which is accounted for using the equity method. BCVI Management Company ceased operations in June 2015, had a subsequent equity distribution of approximately $1,663,000, and was dissolved in October 2015. MCVI Management Company was funded with an investment of approximately $1,580,000. BHSF's investment in MCVI Management Company, which is recorded in other assets in the accompanying consolidated balance sheet, was approximately $1,760,000 and $1,571,000, as of September 30, 2016 and 2015, respectively.

Pursuant to a Master Trust Indenture, an obligated group was created, which at September 30, 2016 and 2015, consisted of BHSF, the BHSF Hospitals and BOS (the "BHSF Obligated Group"). Each member of the BHSF Obligated Group is jointly and severally liable for all debt issued under the Master Trust Indenture (see Note 6).

In October 2015, BHSF and Bethesda Health, Boynton Beach, an organization comprised of two not-for-profit hospitals and other related entities in Palm Beach County, Florida, signed an agreement to affiliate, pursuant to a 24-month transition period culminating on September 30, 2017. Full affiliation is scheduled to occur on October 1, 2017, subject to compliance with contractual provisions and regulatory requirements.

Basis of Presentation - The consolidated financial statements include the accounts of BHSF, the BHSF Hospitals, BOS, BHMG, the Foundation, BHE and subsidiaries, and Insurance Companies. All intercompany transactions have been eliminated in consolidation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but not limited to: recognition of net patient service revenue; valuation of accounts receivable, including contractual allowances and provisions for doubtful accounts; reserves for losses and expenses related to employee healthcare and professional and general liability risks; asset impairments, including goodwill; and estimated third-party settlements. Future events and their effects cannot be predicted with certainty; accordingly, management's accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the accompanying consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the operating environment changes. Management regularly evaluates the accounting policies and estimates it uses. In general, management relies on historical experience and on other assumptions believed to be reasonable under the circumstances, and may employ outside experts to assist in the evaluation, as considered necessary. Although management believes all adjustments considered necessary for fair presentation have been included, actual results may vary from those estimates.

Community Benefits - In pursuing its mission, BHSF provides services to the financially disadvantaged and to the broader community in which it operates, despite the lack or adequacy of payment for those services. These services are categorized as follows:

Charity Care - BHSF provides a level of charity care that is consistent with the needs of the community it serves and the financial resources that are available. All or a portion of the charges incurred at established rates are classified as charity by reference to BHSF's established policies. Essentially, these policies define charitable services as those for which no payment is anticipated. In assessing a patient's ability to pay, BHSF utilizes generally recognized poverty income levels for the respective community, but also includes certain cases where incurred charges are considered to be beyond the patient's ability to pay. In addition, BHSF provides services to other indigent patients under various state and local programs, which pay healthcare providers amounts that are less than the cost of the services provided. Because BHSF does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as net patient service revenue in the accompanying consolidated financial statements (see Note 2).

Other Community Benefits - BHSF has entered into agreements to pay certain physician specialists for healthcare they provide to BHSF's charity care patients. In addition to the services that are provided to the financially disadvantaged, BHSF provides services to the broader community. These services include educational programs, community information on health services, donations and the cost of healthcare in excess of payments for patients under federal and state programs. Additionally, the BHSF Hospitals have conducted individual community health needs assessments and adopted written implementation plans to focus on the particular characteristics of each hospital's patients and community, and their respective needs.

Treasury Policy - BHSF has a system-wide treasury policy, which recognizes its responsibility to oversee, manage and coordinate all affiliate operations, including the treasury functions. BHSF serves as the centralized cash receipt and disbursing agent for all BHSF entities. The treasury policy provides that each BHSF affiliate's unrestricted cash and investments may be transferred to BHSF, and that BHSF shall provide or arrange for advances and loans to its affiliates and will utilize the cash and investments held by it to provide financial support for the BHSF Hospitals and the other corporations comprising the system. These transfers have been eliminated in consolidation. Debt and related issuance costs are allocated to affiliates based on the use of debt proceeds.

New Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date* ("ASU 2015-14"). ASU 2015-14 defers the effective date of ASU 2014-09 for all affected entities. As a result, ASU 2014-09 is effective for the annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted, only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Cost* ("ASU 2015-03"). ASU 2015-03 provides guidance to simplify the presentation of debt issue costs in the financial statements. Under ASU 2015-03, debt issue costs will be presented as a direct deduction from the related debt liability. The guidance provided in ASU 2015-03 is effective for fiscal years beginning after December 15, 2015. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In April 2015, the FASB issued ASU 2015-05*, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* ("ASU 2015-05"). ASU 2015-05 provides guidance on determining whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software. The new guidance requires fees related to the software license element of the cloud computing arrangement to be accounted for in a consistent manner with the acquisition of other software licenses. The guidance provided in ASU 2015-05 is effective for fiscal years beginning after December 15, 2015. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In April 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (Issue 14-B)* ("ASU 2015-07"). ASU 2015-07 removes, from the fair value hierarchy, investments for which the practical expedient (as discussed in Accounting Standards Codification ("ASC") 820-10-35-59) is used to measure fair value at net asset value ("NAV"). Instead, an entity is required to include those investments as a reconciling line item so that the total fair value amount of investments in the disclosure is consistent with the amount on the balance sheet. Further, entities must provide the disclosures in ASC 820-10-50-6A only for investments for which they elect to use the NAV practical expedient. The guidance provided in ASU 2015-07 is effective for fiscal years beginning after December 15, 2015. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory* ("ASU 2015-11"). ASU 2015-11 requires inventories to be valued at the lower of cost or net realizable value. ASU 2015-11 is effective for the first interim period within annual reporting periods beginning after December 15, 2016. Early adoption is permitted. BHSF has not determined the impact to its consolidated financial statement from the adoption of this standard.

In September 2015, the FASB issued ASU 2015-16, *Business Combinations (Topic 805), Simplifying the Accounting for Measurement-Period Adjustments* ("ASU 2015-16"). ASU 2015-16 requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. ASU 2015-16 requires that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. ASU 2015-16 is effective for the first interim period within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. BHSF has not determined the impact to its consolidated financial statement from the adoption of this standard.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes (Topic 740)* ("ASU 2015-17"). ASU 2015-17 provides guidance to simplify the presentation of deferred income taxes. Under ASU 2015-17, deferred tax liabilities and assets are required to be classified as noncurrent in a classified statement of financial position. ASU 2015-17 is effective for fiscal years beginning after December 15, 2017. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In January 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). ASU 2016-01 requires all equity investments to be measured at fair value with

changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). The update also requires an entity to separately present the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. ASU 2016-01 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02") which supersedes existing guidance on accounting for leases and generally requires all leases to be recognized in the balance sheet. The provisions of ASU 2016-02 are effective for reporting periods beginning after December 15, 2018; early adoption is permitted. The provisions of this update are to be applied using a modified retrospective approach. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In March 2016, the FASB Issued ASU 2016-07, *Investments—Equity Method and Joint Ventures (Topic 323)* ("ASU2016-07"). ASU 2016-07 eliminates the requirement retroactively accounting for an investment that qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence. The update requires that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest, and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. The provisions of this ASU are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In April 2016, FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606):Identifying Performance Obligations and Licensing* ("ASU 2016-10"), and in May 2016, ASU 2016-12, *Revenues from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12") both of which provide supplemental adoption guidance and clarification to ASU 2014-09. ASU 2016-10 and ASU 2016-12 must be adopted concurrently with the adoption of ASU 2014-09.

In August 2016, the FASB Issued ASU 2016-14, *Not-For-Profit Entities-Presentation of Financial Statement of Not-for-Profit Entities (Topic 958)* ("ASU 2016-14"). ASU 2016-14 requires not-for-profit entities to present on the balance sheet amounts for two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) rather than the three classes currently required. Not-for-profit entities are required to enhance disclosures regarding board designations and composition of net assets with donor restrictions. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, and or interim periods within fiscal years, beginning after December 15, 2018. ASU 2016-14 is applied on a retrospective basis in the year in which the guidance is adopted. Early adoption is permitted. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In August 2016, the FASB Issued ASU 2016-15, *Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments (Topic 230)* ("ASU 2016-15"). ASU 2016-15 clarifies the guidance on the classification of certain cash receipts and payments in the statement of cash flows related to debt extinguishment costs, distributions received from equity method investees, and proceeds from the settlement of insurance claims. ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 2019. Early adoption is permitted. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard.

In October 2016, the FASB Issued ASU 2016-17, *Consolidation – Interests Held through Related Parties That Are Under Common Control (Topic 810)* ("ASU 2016-17"). ASU 2016-17 clarifies treatment of interests held by a single decision-making entity and other related parties under common control. ASU 2016-17 is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. BHSF has not determined the impact to its consolidated financial statements from the adoption of this standard

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and cash in depository accounts maintained with various commercial banks, which exceed federally insured limits. As such, management periodically evaluates the creditworthiness of those institutions. BHSF has not experienced any losses on such deposits. Cash equivalents also include money market funds held by the Insurance Companies.

Inventories - Inventories, totaling approximately $40,599,000 and $39,231,000 at September 30, 2016 and 2015, respectively, consisting primarily of pharmaceutical, medical and surgical supplies, are stated at average cost, and are included in other current assets in the consolidated balance sheets.

Assets Whose Use is Limited and Other Investments - Assets whose use is limited include assets set aside by the Board of Trustees for future capital improvements and education, over which the Board retains control and may at its discretion subsequently use for other purposes, note proceeds designated for capital improvements, and insurance surplus reserves. Assets whose use is limited that are required for obligations classified as current liabilities are reported in current assets. Other investments are held by the Foundation and include certain assets whose use is restricted by donors (see Note 3).

BHSF manages the investment function based upon a comprehensive written investment policy approved by the Board of Trustees that provides for a diversified investment portfolio based upon return, risk, social values and projected liquidity requirements. Investment results, portfolio allocations and investment policy compliance are regularly reviewed with the Investment Review Committee of the Board of Trustees.

BHSF holds certain financial instruments with derivative features, including forward foreign exchange contracts and short sales of equity securities. BHSF records these derivatives at fair value in its consolidated balance sheets and records the changes in fair value of the derivatives as investment income in the consolidated statements of operations. The change in fair value of derivative instruments held by BHSF resulted in investment losses of approximately $810,000 and $647,000 for the years ended September 30, 2016 and 2015, respectively. BHSF also holds various hybrid financial instruments with embedded derivative features, including convertible preferred stock and convertible bonds.

BHSF records a liability for short sales and forward foreign exchange contracts that are in a loss position. The obligations arising from such transactions are recorded on a trade-date basis and carried at current market values. The majority of forward foreign exchange contract transactions are settled on a short-term basis. Contracts that are not subject to a master netting agreement represent obligations to settle the contract at a rate above the current market exchange rate. At September 30, 2016 and 2015, forward foreign exchange contract obligations totaled approximately $1,444,000 and $2,157,000, respectively. Short sale positions are held as part of a long-short equity investment strategy. At September 30, 2016 and 2015, short sale obligations totaled approximately $7,324,000 and $3,876,000, respectively. Both short sale and forward foreign exchange contract obligations are recorded in accrued expenses and other liabilities in the accompanying balance sheets.

Derivatives may expose BHSF to market risk or credit risk in excess of the amounts recorded in the consolidated balance sheets. Market risk on a derivative or foreign exchange product is the exposure created by potential fluctuations in interest rates, foreign exchange rates and other values, and is a function of the type of product, the volume of transactions, the tenor and terms of the agreement, and the underlying volatility. Credit risk is the exposure to loss in the event of non-performance by the other party to the transaction, where the value of collateral held, if any, is not adequate to cover such losses. Management does not believe that there are significant market or credit risks associated with these transactions, given BHSF's investment strategies and the overall characteristics of its investment portfolio.

BHSF held alternative investment interests in five limited partnerships as of September 30, 2016. Three of these interests were also held as of September 30, 2015. One of the partnerships was established to invest in a broad range of infrastructure and infrastructure-related assets located in member countries of the Organization for Economic Co-operation and Development, with a primary focus on the United States, Canada, Western Europe and Australia. The second partnership was established to construct and manage a well-diversified portfolio of publicly-traded equity securities issued by real estate investment trusts and other publicly-held real estate companies in North America, Europe and Asia. The third partnership is a long-dated private debt fund that issues senior secured loans to private, middle-market companies principally located in North America. The two remaining partnerships are private real estate funds established to invest in various commercial and residential real estate investments, primarily in the United States. These investments are accounted for using the equity method and reported at fair value. All gains and losses from these alternative investments are reflected in investment income. The carrying value of BHSF's interests in these, as of September 30, 2016 and 2015, was approximately $264,300,000 and $183,587,000, respectively (see Note 3).

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the consolidated financial statements.

Property and Equipment - Net - Property and equipment are stated at cost or, if donated, at fair market value on the date of donation, less accumulated depreciation. Depreciation is computed on the straight-line method using estimated useful lives ranging from two to forty years. Expenditures that materially increase values, change capacities or extend useful lives are capitalized, in addition to interest cost, during the period of construction. For qualifying assets, BHSF capitalizes interest cost until the assets are ready for their intended use. Gains and losses on dispositions are recorded in the year of disposal.

Gifts of long-lived assets, such as land, buildings or equipment, are reported as a direct addition to unrestricted net assets, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to temporarily or permanently restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Property and equipment are described in more detail in Note 4.

BHSF management is responsible for evaluating long-lived assets for impairment by monitoring internal and external environments for events and circumstances that would indicate that the carrying value of an asset may not be recoverable. When these events occur, management measures impairment by comparing the carrying amount of the asset to future undiscounted cash flows expected to result from the use of the asset and residual value. If the undiscounted cash flows are less than the net book value of the asset, an impairment loss based on the fair value of the asset is recognized.

Determination of the fair value of acquired long-lived assets involves certain judgments and estimates. Fair value estimates are derived from appraisals, established market values of comparable assets or internal estimates of future cash flows. These fair value estimates can change by material amounts in subsequent periods. Many factors and assumptions can impact the estimates, including future financial trends, changes in healthcare trends and regulations, and the nature of the ultimate disposition of assets. In some cases, these fair value estimates assume the highest and best use of hospital assets in the future to a market place participant other than a hospital.

Malpractice Liability Claims - Provisions for losses related to malpractice liability risks are based upon actuarially-determined estimates and represent the estimated ultimate net cost of all reported and unreported losses incurred through the respective balance sheet dates. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are reviewed and adjustments are recorded as experience develops or new information becomes known.

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets are those for which use has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those for which use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of BHSF or its affiliates (see Note 7).

Excess of Revenues Over Expenses (Expenses Over Revenues) - The consolidated statements of operations include excess of revenues over expenses (expenses over revenues). Changes in unrestricted net assets, which are excluded from excess of revenues over expenses (expenses over revenues), consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), changes in the value of split-interest agreements, transfers from temporarily restricted net assets, changes in accumulated postretirement benefit obligation other than periodic benefit cost, purchase and sale of limited partnership interests and partnership distributions.

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to BHSF and its affiliates are reported at fair value at the date the promise is received. Contingent promises to give and indications of intentions to give are reported at fair value at the date the contingency is met. The gifts are reported as either temporarily or permanently restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets. Net assets released from restrictions used for operations are included in excess of revenues over expenses (expenses over revenues). Net assets released from restrictions used to purchase property and equipment are reported as a change in net assets.

Goodwill - Goodwill represents the excess of purchase price and related costs over the value assigned to net tangible assets and identifiable intangible assets of businesses acquired and accounted for under the acquisition method of accounting. Goodwill has arisen from various acquisitions by affiliates of BHSF (see Note 5).

Deferred Bond Issue Costs and Bond Premium - Deferred bond issue costs and bond premium are being amortized and accreted using the bonds-outstanding method. For the years ended September 30, 2016 and 2015, amortization of bond issue costs totaled approximately $359,000 and $362,000, respectively; and accretion of bond premium totaled approximately $919,000 and $985,000, respectively.

Indigent Care Assessment - The Healthcare Consumer Protection and Awareness Act of 1984 created a fund to provide for the treatment of indigent patients. Hospitals in the state of Florida are required to pay into the fund an amount equal to 1.5% of net inpatient revenue and 1% of net outpatient revenue. The indigent care assessment is included in administrative and general expenses in the consolidated statements of operations.

Income and Other Taxes - BHSF, BHSF Hospitals, BOS, BHMG and the Foundation are not-for-profit corporations and are recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. The Baptist Health Medical Group affiliated physician practices are single-member limited liability companies, which are treated as disregarded entities for federal income tax purposes. BHE and the Insurance Companies provide for income taxes in accordance with the provisions of FASB ASC 740, *Income Taxes* ("ASC 740"). As required under ASC 740, deferred tax assets and liabilities are recognized under the balance sheet approach, which recognizes the future tax effect of temporary differences between the amounts recorded in the financial statements and the tax basis of these amounts. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax assets or liabilities are expected to be realized or settled (see Note 12). Taxes collected from patients, tenants, customers and others, concurrent with specific revenue-producing transactions and subsequently remitted to governmental authorities, are recorded on a net basis and excluded from revenues.

Asset Retirement Obligations - BHSF has various conditional asset retirement obligations for the removal of asbestos. The carrying amount of the obligations for the years ended September 30, 2016 and 2015, totaled approximately $615,000 and $513,000, respectively. For the years ended September 30, 2016 and 2015, BHSF settled obligations of approximately $101,000 and $186,000, respectively.

Electronic Health Records Incentive Payment - The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). These provisions were designed to increase the use of electronic health records ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payments program beginning in 2011 for eligible hospitals and providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology; but providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional incentive payments. Medicaid EHR incentive payments are fully funded by the federal government and administered by the states; however, the states are not required to offer EHR incentive payments to providers.

During the year ended September 30, 2016 and 2015, BHSF recognized HITECH incentives related to certain of the BHSF hospitals that have demonstrated meaningful use of, and completed attestations as to their adoption or implementation of, certified EHR technology. The Medicare and Medicaid incentives recognized during the year ended September 30, 2016, were approximately $112,000 and $292,000, respectively. The Medicare and Medicaid incentives recognized during the year ended September 30, 2015, were approximately $2,339,000 and $487,000, respectively. These incentive reimbursements are included in other operating revenue in the consolidated statements of operations. BHSF accounts for EHR incentive payments using the gain contingency model. As such, BHSF recognizes EHR incentive payments when the specified meaningful use criteria have been satisfied, and all contingencies in estimating the amount of the incentive payments to be received are resolved. Medicare meaningful use attestations are subject to audit by the federal government or its designee.

2. NET PATIENT SERVICE REVENUE

Net patient service revenue is recorded based upon established billing rates less allowances for contractual adjustments. Revenue is recorded during the period the healthcare services are provided, based upon the estimated amounts due from the patients and third-party payors, including federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies and employers. Estimates of contractual allowances under managed care health plans are based upon the payment terms specified in the related contractual agreements. The bases for payment under these agreements include prospectively determined rates per diagnosis, per diem or per procedure rates, or discounts from established charges.

Mariners Hospital is a critical access hospital ("CAH"). As such, it is certified to receive cost-based reimbursement for services provided to Medicare beneficiaries. Among other participation constraints, CAH status requires that Mariners Hospital operates no more than 25 beds and that its average length of stay does not exceed four days.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Federal regulations require submission of annual cost reports covering medical costs and expenses associated with the services provided by each facility to program beneficiaries. Annual cost reports required under the Medicare and Medicaid programs are subject to routine audits, which may result in adjustments to the amounts ultimately determined to be due to BHSF under these payment programs. These audits often require several years to reach the final determination of amounts earned under the programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Such audits of the Medicare cost reports have been completed for all BHSF Hospitals through either 2012 or 2013. Medicaid audits have been completed for all BHSF Hospitals through fiscal year 2013, with the exception of West Kendall Baptist Hospital, which has completed audits as of fiscal year 2012, and Mariners Hospital as of fiscal year 2014. The combined effects from changes in estimate related to the valuation of the prior period third-party payor settlement liability, primarily due to the completion of prior year cost report audits, was an increase in income from operations of approximately $6,482,000 and $10,053,000, for the years ended September 30, 2016 and 2015, respectively.

BHSF provides charity care to patients who are financially unable to pay for the healthcare services they receive. Uninsured patients treated at BHSF facilities with household income at or below 300% of the federal poverty level are eligible for free care. In addition, uninsured patients may be eligible for charity care if incurred charges are considered beyond the patient's ability to pay. The federal poverty level is established by the federal government and is based on income and family size. BHSF provided charity care at a cost of approximately $94,352,000 and $88,618,000 for the years ended September 30, 2016 and 2015, respectively. The estimated cost of providing charity services is based on recent historical cost-to-charge ratios for charity patients from BHSF's cost accounting system applied to the current period gross uncompensated charges associated with providing care to charity patients.

BHSF receives payments for services rendered from government agencies (primarily the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers and patients. BHSF's net patient service revenue related to patients participating in the Medicare program during the years ended September 30, 2016 and 2015, was approximately 13% and 12%, respectively. BHSF recognizes that revenues and receivables from the Medicare program are significant to its operations but does not believe that there are significant credit risks associated with this federal program. BHSF does not believe that there are any other significant concentrations of revenues from any particular payor that would subject it to any significant credit risks in the collection of its accounts receivable.

The concentration of net patient service accounts receivable by payor class, as a percentage of total net patient service accounts receivable, at September 30, 2016 and 2015, was as follows:

	2016	2015
Medicare	11%	11%
Medicare managed care	16%	16%
Medicaid	2%	2%
Medicaid managed care	7%	9%
Commercial managed care	56%	50%
Other	8%	12%
Total	100%	100%

BHSF provides for accounts receivable that could become uncollectible in the future by establishing an allowance to reduce the carrying value of such receivables to their estimated net realizable value. Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. BHSF estimates the allowance for doubtful accounts by reserving a percentage of accounts receivable based on historical and expected collections, business and economic conditions, trends in reimbursement, and other collection indicators. For receivables associated with services provided to patients who have third-party coverage, including receivables from government agencies, BHSF analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts. For all payor types, when BHSF can no longer reasonably

estimate collectability of an account based on the aging of the balance due and the volatility and unpredictable nature of the amount, BHSF reserves substantially all amounts due. Recoveries on written-off accounts receivable are recorded in the period the recovery occurs as an increase in net patient service revenue through an adjustment to the provision for doubtful accounts. Recoveries collected for the years ended September 30, 2016 and 2015, which relate to accounts written-off in prior periods, were approximately $29,852,000 and $30,678,000, respectively.

Collections are impacted by the ability of patients to pay and the effectiveness of BHSF's collection efforts. Significant changes in payor mix, business office operations, economic conditions, or trends in federal and state governmental healthcare coverage could affect BHSF's collection of accounts receivable and the estimates of the collectability of future accounts receivable. The process of estimating the allowance for doubtful accounts requires BHSF to estimate the collectability of self-pay accounts receivable, which is primarily based on its collection history, adjusted for expected recoveries and, if available, anticipated changes in collection trends. BHSF also continually reviews its overall reserve adequacy by monitoring historical cash collections as well as by analyzing payor classification, aged accounts receivable by payor, days revenue outstanding, and business and economic conditions.

The following summarizes net patient service revenue before the provision for doubtful accounts by payor class for the years ended September 30, 2016 and 2015:

	2016	2015
Net patient service revenue before provision for doubtful accounts		
Medicare	$334,058,668	$306,227,871
Medicare managed care	322,326,237	329,067,758
Medicaid	53,839,353	46,539,405
Medicaid managed care	127,607,468	132,483,567
Commercial managed care	1,473,971,396	1,424,025,644
Other	298,188,131	383,157,206
Net patient service revenue before provision for doubtful accounts	$2,609,991,253	$2,621,501,451

The following summarizes the activity in BHSF's allowance for doubtful accounts for the years ended September 30, 2016 and 2015:

	2016	2015
Balance, beginning of year	$176,675,794	$156,225,143
Provision, during the year	305,201,993	336,719,587
Accounts written off (net of recoveries)	(307,426,508)	(316,268,936)
Balance, end of year	$174,451,279	$176,675,794

Net patient service revenue recognized for medical services rendered includes adjustments resulting from reviews and audits of prior-year Medicare and Medicaid cost reports and subsequent payment experience from patients and third-party payors. Such adjustments are considered in the recognition and estimation of revenue in the periods the adjustments become known or as cost report years are no longer subject to reviews and audits.

During the years ended September 30, 2016 and 2015, BHSF received approximately $24,070,000 and $10,570,000, respectively, related to favorable settlements of outstanding disputes with various commercial third-party payors. Third-party payor settlements are recorded as an increase to net patient service revenue when the disputes are settled and the cash settlements are received.

3. ASSETS WHOSE USE IS LIMITED AND OTHER INVESTMENTS

Assets whose use is limited and other investments at September 30, 2016, are set forth in the following table and stated at fair value:

	Assets Whose Use is Limited	Other Investments	Total
Financial assets:			
Cash and short-term investments	$146,944,791	$6,605,784	$153,550,575
U.S. Treasury obligations	106,362,662	2,919,765	109,282,427
U.S. Agency obligations	75,778,595	2,000,208	77,778,803
Municipal bonds	6,443,566	194,852	6,638,418
Corporate equity instruments	1,115,387,393	35,210,754	1,150,598,147
Corporate bonds	502,897,836	11,327,573	514,225,409
Foreign government bonds	136,441,524	4,347,627	140,789,151
Foreign corporate bonds	89,329,801	2,410,016	91,739,817
Foreign exchange contracts	1,419,771	43,872	1,463,643
Global properties securities fund	54,296,938	1,472,308	55,769,246
Infrastructure fund	42,496,694	1,518,525	44,015,219
Private debt fund	55,982,399	1,189,169	57,171,568
Private real estate funds	104,619,932	2,723,683	107,343,615
Total	$2,438,401,902	$71,964,136	$2,510,366,038

Assets whose use is limited and other investments at September 30, 2015, are set forth in the following table and stated at fair value:

	Assets Whose Use is Limited	Other Investments	Total
Cash and short-term investments	$143,271,544	$5,453,122	$148,724,666
U.S. Treasury obligations	121,642,666	2,353,051	123,995,717
U.S. Agency obligations	45,485,672	1,036,956	46,522,628
Municipal bonds	5,278,422	138,966	5,417,388
Corporate equity instruments	1,066,327,856	32,852,428	1,099,180,284
Corporate bonds	510,069,533	8,732,052	518,801,585
Foreign government bonds	269,769,815	8,620,262	278,390,077
Foreign corporate bonds	70,129,918	1,481,724	71,611,642
Foreign exchange contracts	2,983,024	79,037	3,062,061
Global properties securities fund	77,796,684	2,109,524	79,906,208
Infrastructure fund	43,939,905	1,570,095	45,510,000
Private debt fund	56,961,266	1,209,962	58,171,228
Total	$2,413,656,305	$65,637,179	$2,479,293,484

The following is the composition of assets whose use is limited at September 30, 2016 and 2015:

	2016	2015
Board designated for:		
Funded depreciation	$2,343,807,175	$2,196,080,377
Education	335,043	335,043
Total Board designated	2,344,142,218	2,196,415,420
Note proceeds designated for capital improvements	70,040,479	198,725,995
Insurance reserves	24,219,205	18,514,890
Total	2,438,401,902	2,413,656,305
Less amount required for current liabilities	(25,497,378)	(686,403)
Assets whose use is limited	$2,412,904,524	$2,412,969,902

Other investments represent assets of the Foundation. At September 30, 2016 and 2015, other investments in the amount of approximately $33,213,000 and $32,434,000, respectively, were temporarily restricted as to use by donors, and approximately $12,755,000 and $12,423,000, respectively, were permanently restricted as to use by donors.

Investment income and gains and losses for assets whose use is limited, other investments and cash and cash equivalents are comprised of the following for the years ended September 30, 2016 and 2015:

	2016	2015
Investment income:		
Interest and dividends income	$54,718,171	$58,541,631
Realized gains on sales of securities	174,436,571	170,212,149
Realized losses on sales of securities	(206,083,755)	(126,491,970)
Change in net unrealized gains and losses	187,557,072	(258,364,621)
Investment income (loss)	$210,628,059	($156,102,811)
Other changes in temporarily restricted net assets:		
Investment income	$313,114	$336,682
Realized losses on investments - net	(242,660)	(270,902)
Total	$70,454	$65,780

4. PROPERTY AND EQUIPMENT - NET

Property and equipment at September 30, 2016 and 2015, are summarized as follows:

	2016	2015
Land and land improvements	$318,161,310	$313,634,250
Buildings and improvements	1,344,982,568	1,282,705,399
Equipment	986,083,173	903,403,936
Total	2,649,227,051	2,499,743,585
Less accumulated depreciation	(1,258,155,421)	(1,126,392,311)
Total	1,391,071,630	1,373,351,274
Construction in progress	371,331,866	184,261,897
Property and equipment - net	$1,762,403,496	$1,557,613,171

Interest costs incurred during fiscal years 2016 and 2015 were approximately $46,165,000 and $46,950,000, respectively. Interest capitalized was approximately $12,969,000 and $5,497,000, during fiscal years 2016 and 2015, respectively. Depreciation expense on property and equipment, for the years ended September 30, 2016 and 2015, amounted to approximately $139,887,000 and $143,484,000, respectively.

During fiscal years 2016 and 2015, BHSF and certain BHSF Hospitals closed on several building purchases with a total cost of approximately $5,256,000 and $29,767,000, respectively. These acquisitions are for use in BHSF's clinical and administrative operations.

BHSF is presently involved in constructing a new outpatient and research facility on the Baptist Hospital campus as part of the Miami Cancer Institute. The total cost is projected to be approximately $394,000,000, and the estimated date of completion is the first quarter of fiscal year 2017. During fiscal year 2011, BHSF issued long-term, taxable debt, the proceeds of which are being used to fund this project (see Note 6).

As of September 30, 2016 and 2015, BHSF has accrued approximately $32,278,000 and $37,318,000, respectively, for the acquisition and construction of property and equipment. These amounts are included in accounts payable and accrued expenses and other current liabilities in the accompanying consolidated balance sheets.

5. GOODWILL

Goodwill is subject to at least an annual assessment for impairment by applying a fair-value based test. BHSF performs an annual impairment test during the fourth quarter of each fiscal year or more frequently, when events or other changes in circumstances indicate that the carrying value of goodwill may not be recoverable. During the year ended September 30, 2016, management concluded that there were no indications of impairment which would require an interim additional goodwill impairment test.

A summary of the changes in goodwill at September 30, 2016 and 2015, is listed below:

	2016	2015
Goodwill, beginning of year	$46,486,447	$46,486,447
Purchase of Northpoint Surgery Center	6,101,296	
Goodwill, end of year	$52,587,743	$46,486,447

6. DEBT

On May 16, 2007, the BHSF Obligated Group issued through the City of South Miami Health Facilities Authority $800,000,000 of its Hospital Revenue Bonds, Series 2007 ("2007 Bonds") in accordance with the provisions of a new Master Trust Indenture dated as of May 1, 2007. The 2007 Bonds bear interest at rates ranging from 4.62% to 5.00%, payable semiannually each February 15 and August 15, and mature annually on August 15 through 2042. The 2007 Bonds are callable at par in 2017 by BHSF. Payment of principal and interest on the 2007 Bonds is wholly dependent on the credit of the BHSF Obligated Group. Certain proceeds of the 2007 Bonds, together with other available funds, were used to refund outstanding bonds and pay expenses incurred in connection with the issuance of the 2007 Bonds; and the remaining proceeds were used to acquire, construct, renovate, rehabilitate and equip certain healthcare facilities of BHSF.

On May 25, 2011, the BHSF Obligated Group issued $250,000,000 of its Baptist Health South Florida Obligated Group Taxable Notes, Series 2011 (the "2011 Taxable Notes"). The 2011 Taxable Notes were issued under the Master Trust Indenture, as amended and supplemented by a First Supplemental Master Trust Indenture. The 2011 Taxable Notes bear interest at 4.59% per annum and mature on August 15, 2021. Proceeds of the 2011 Taxable Notes may be used for any corporate purposes; however, BHSF has designated that the proceeds will be used to construct and equip the new Miami Cancer Institute facility on the campus of Baptist Hospital.

On December 21, 2011, the BHSF Obligated Group implemented a commercial paper program that allows BHSF to issue up to $150,000,000 of taxable commercial paper notes for general corporate purposes at an interest rate to be determined at the time of the commercial paper notes issuance. As of September 30, 2016, a note of $25,000,000 has been issued and is outstanding; this note bears an interest rate of 0.60% per annum, with a maturity date of October 12, 2016; this commercial paper note was subsequently reissued in fiscal year 2017 (see Note 17).

Under the Master Trust Indenture, as amended and supplemented by a First Supplemental Master Trust Indenture, the BHSF Obligated Group has certain restrictions on incurrence of additional debt and certain other covenants. At September 30, 2016, the BHSF Obligated Group was in compliance with all of its financial debt covenants.

A summary of debt at September 30, 2016 and 2015, is as follows:

	2016	2015
2007 Bonds (including unaccreted bond premium: 2016 - $10,875,610; 2015 - $11,794,870)	$712,640,610	$726,719,870
2011 Taxable Notes	250,000,000	250,000,000
Capital lease obligation	393,898	
Commercial paper notes (including unamortized discount 2016: $5,000)	25,000,000	
Total	988,034,508	976,719,870
Amount representing current maturities	(38,909,846)	(13,160,000)
Long-term debt	$949,124,662	$963,559,870

At September 30, 2016, the scheduled principal payments on long-term debt for the next five years and thereafter are as follows:

Year ending September 30	Revenue Bonds	Taxable Notes	Capital Lease Obligation	Commercial Paper	Total
2017	$13,820,000		$89,846	$25,000,000	$38,909,846
2018	14,510,000		93,643		14,603,643
2019	15,235,000		97,968		15,332,968
2020	16,000,000		102,493		16,102,493
2021	16,800,000	$250,000,000	9,948		266,809,948
Thereafter	625,400,000				625,400,000
Total	$701,765,000	$250,000,000	$393,898	$25,000,000	$977,158,898

7. NET ASSETS

A summary of the changes in consolidated unrestricted net assets attributable to BHSF and the noncontrolling interests for the year ended September 30, 2016, is as follows:

	Total	BHSF	Noncontrolling Interests
Balance, beginning of year	$2,901,724,063	$2,892,690,987	$9,033,076
Excess of revenues over expenses	175,628,809	162,640,710	12,988,099
Net assets released from restrictions used for property and equipment acquisitions	9,162,687	9,162,687	
Change in value of split-interest agreements	(342,818)	(342,818)	
Transfers from temporarily restricted net assets	10,535	10,535	
Noncontrolling interest related to acquisition of Northpoint Surgery Center	5,359,838		5,359,838
Sale of limited partnership interests	326,703		326,703
Purchase of limited partnership interests	(552,897)		(552,897)
Partnership distributions	(11,671,266)		(11,671,266)
Increase in unrestricted net assets	177,921,591	171,471,114	6,450,477
Balance, end of year	$3,079,645,654	$3,064,162,101	$15,483,553

A summary of the changes in consolidated unrestricted net assets attributable to BHSF and the noncontrolling interests for the year ended September 30, 2015, is as follows:

	Total	BHSF	Noncontrolling Interests
Balance, beginning of year	$3,022,898,887	$3,013,919,250	$8,979,637
Excess of (expenses over revenues) revenues over expenses	(81,462,752)	(94,152,896)	12,690,144
Net assets released from restrictions used for property and equipment acquisitions	8,031,679	8,031,679	
Change in value of split-interest agreements	(166,206)	(166,206)	
Transfers from temporarily restricted net assets	5,659	5,659	
Changes in accumulated postretirement benefit obligation other than periodic benefit cost	(34,946,499)	(34,946,499)	
Noncontrolling interest related to AmSurg Baptist Network Alliance	4,900		4,900
Purchase of limited partnership interests	(113,113)		(113,113)
Partnership distributions	(12,528,492)		(12,528,492)
(Decrease) Increase in unrestricted net assets	(121,174,824)	(121,228,263)	53,439
Balance, end of year	$2,901,724,063	$2,892,690,987	$9,033,076

Temporarily and permanently restricted net assets are designated for the following purposes at September 30, 2016 and 2015:

	Temporarily Restricted		Permanently Restricted	
	2016	2015	2016	2015
Equipment and building fund	$39,210,143	$39,132,135		
Indigent care	6,615,918	6,864,956	$5,864,185	$5,783,204
Health education	26,449,222	21,759,904	7,296,789	7,080,910
Total	$72,275,283	$67,756,995	$13,160,974	$12,864,114

BHSF's endowment consists of funds that have been limited by donors to a specific time period or purpose. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All endowments received by BHSF have been recorded as permanently restricted net assets due to the donor imposed restrictions. Endowment funds received are included in assets whose use is limited and invested in accordance with BHSF's investment policy (see Note 1). Accumulated gains from these investments are not included in the permanently restricted net assets balance.

All permanently restricted net assets are endowments. Gifts donated to the permanently restricted endowments are classified as permanently restricted net assets at their original fair value. Gifts donated with temporary restrictions are classified as temporarily restricted net assets at their original fair value, until those amounts are appropriated for expenditure by the BHSF Hospitals or BOS in accordance with donors' wishes. Income derived from permanently and temporarily restricted net assets is available to support the BHSF Hospitals and BOS, absent explicit donor stipulations to the contrary.

A summary of the changes in permanently restricted net assets as of September 30, 2016 and 2015 is as follows:

	2016	2015
Change in permanently restricted net assets:		
Permanently restricted net assets, beginning of year	$12,864,114	$12,602,410
Contributions	301,981	247,661
Investment Income	211,768	119,093
Amounts used for expenditures	(211,768)	(119,093)
Present value allowance adjustments	(5,121)	14,043
Permanently restricted net assets, end of year	$13,160,974	$12,864,114

8. MEDICAL MALPRACTICE AND GENERAL LIABILITY INSURANCE

BHSF is self-insured for professional and general liability coverage. Coverage in excess of the self-insurance limits, less coinsurance, is provided on a claims-made basis by PIC, which reinsures 100% of its professional and general liability risk with unrelated commercial insurance carriers. The adequacy of the coverage provided and the provisions for losses are reviewed at least annually by independent actuaries. Should the claims-made policies be terminated, or not renewed or replaced with equivalent insurance, claims based on incidents during their term, but reported subsequently, will be uninsured. At September 30, 2016 and 2015, BHSF has accrued undiscounted estimates of approximately $184,588,000 and $168,232,000, respectively, which represents the cost to settle malpractice and general liability claims reported and claims incurred but not reported. Approximately $51,452,000 and $45,866,000 is included in accrued expenses and other current liabilities, and approximately $133,136,000 and $122,366,000 is included in other liabilities, in the accompanying consolidated balance sheets at September 30, 2016 and 2015, respectively.

The fiscal year 2016 and 2015 consolidated statements of operations reflect a change in estimate in the accrued undiscounted cost to settle malpractice and general liability claims of approximately $16,215,000 and $17,197,000, respectively, primarily due to favorable development and settlement of historical outstanding claims.

9. EMPLOYEE BENEFITS PROGRAMS AND VOLUNTARY SEPARATION OPPORTUNITY

BHSF subsidizes the cost of health insurance for its employees through a self-insured employee health plan. Under the self-insurance plan, all claims from employees and their covered dependents, less deductibles and coinsurance, as provided in the plan, are paid directly by BHSF to the plan administrators. BHSF has commercial insurance coverage for per-occurrence claims in excess of the self-insured limits. At September 30, 2016 and 2015, BHSF has recorded liabilities for outstanding and estimated unreported claims of its employees and their covered dependents under this plan of approximately $17,313,000 and $8,864,000, respectively, which are included in accrued wages, salaries and benefits in the accompanying consolidated balance sheets.

BHSF is self-insured for workers' compensation claims. BHSF purchases commercial insurance coverage for per-occurrence workers' compensation claims in excess of the self-insured limit. As of September 30, 2016 and 2015, BHSF has recorded liabilities for outstanding and estimated unreported claims covered under this plan of approximately $6,571,000 and $3,583,000, respectively, which are included in accrued expenses and other current liabilities in the accompanying consolidated balance sheets.

In the fourth quarter of fiscal year 2016, certain BHSF employees were eligible for a Voluntary Separation Opportunity (VSO), which gave those employees the opportunity to receive enhanced termination benefits. As of September 30, 2016,

BHSF has accrued approximately $12,704,000 in VSO benefit payments, which is included in accrued wages, salaries and benefits in the accompanying balance sheets.

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

In July 2015, BHSF closed the postretirement health benefit plan to all participants effective August 31, 2015. Retired employees and their dependents enrolled in the plan as of August 31, 2015, will continue to receive benefits; all other current and former employees are not eligible to participate. The closing of the plan resulted in a settlement gain of approximately $52,267,000, which is recorded as a reduction of wages, salaries and benefits expense in the accompanying consolidated statement of operations. The liability for remaining enrollees is not significant and is included in the employee health plan liability (see Note 9).

The following table sets forth the changes in benefit obligation, plan liability and funded status of the postretirement healthcare benefit plan for the years ended September 30, 2015:

	2015
Change in benefit obligation:	
Benefit obligation, beginning of year	$16,808,624
Service cost	1,789,437
Interest cost	735,506
Participants benefits paid - net	(272,540)
Actuarial loss	1,392,496
Settlement gain	(20,453,523)
Benefit obligation, end of year	$0
Change in plan liability:	
Net plan liability, beginning of year	$16,808,624
Other changes in benefit obligation recognized in net unrestricted assets	34,946,499
Net periodic benefit cost	784,823
Settlement gain	(52,267,406)
Participants benefits paid - net	(272,540)
Net postretirement liability, end of year	$0
Funded status of plan:	
Current assets	$0
Noncurrent assets	$0
Current liabilties	$0
Noncurrent liabilities	$0

Components of the net periodic benefit cost of the postretirement benefit plan for the year ended September 30, 2015, consisted of the following:

	2015
Service cost	$1,789,437
Interest cost	735,506
Recognized actuarial gain	(1,740,120)
Net periodic benefit cost	$784,823

The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation of the medical plan at September 30, 2015, was 8.0% in 2015. The assumed discount rate used in determining the accumulated postretirement benefit obligation at September 30, 2015, was 4.5%.

11. RETIREMENT PLAN

BHSF sponsors a defined contribution retirement plan (the "Plan") in which participation is available to substantially all full-time employees. Under the terms of the Plan, BHSF provides a basic contribution of 3% of the employee's gross salary. In addition, BHSF matches 50% of the amount the participating employee has contributed through a voluntary salary reduction agreement with BHSF. The maximum matching contribution is limited to 2% of the employee's gross salary. Provisions of the Plan include 100% vesting of BHSF contributions after three years of continuous service. Upon a participant's retirement, death or disability, or as required by law, the participant's vested interest in his or her account can be distributed in either a lump-sum amount equal to the value of the participant's vested interest in his or her account or annual installments over the life expectancy of the participant. The funding levels for the Plan are subject to periodic determination by the Board of Trustees of BHSF. Costs incurred in connection with the Plan, for the years ended September 30, 2016 and 2015, were approximately $44,234,000 and $42,147,000, respectively, and are included in wages, salaries and benefits expense in the accompanying consolidated statements of operations.

12. INCOME TAXES

The components of the income tax provision for the years ended September 30, 2016 and 2015, are as follows:

	2016	2015
Current income tax provision:		
Federal	$163,619	$2,116,598
State	(95,620)	190,462
Total current income tax provision	67,999	2,307,060
Deferred income taxes:		
Federal	1,449,549	(930,005)
State	83,850	(69,496)
Total deferred income taxes	1,533,399	(999,501)
Income tax provision	$1,601,398	$1,307,559

Deferred income taxes, at September 30, 2016 and 2015, are provided for the temporary differences between the tax bases of the assets and liabilities of BHE and Insurance Companies and their bases for financial reporting purposes.

The tax effects of temporary differences are as follows:

	2016	2015
Current deferred tax (liabilities) assets:		
Unrealized gains	($586,089)	$196,692
Other current assets	1,221,664	969,002
Accrued liabilities and other	2,852	(9,071)
Total net current deferred tax assets	638,427	1,156,623
Non-current deferred tax assets (liabilities):		
Depreciation	835,841	1,505,196
Net unearned premiums	418,877	384,961
Loss and loss adjustment	157,309	127,898
Investment in unconsolidated subsidiaries	(4,009,205)	(3,591,377)
Installment gain	(325,163)	(333,816)
Total net non-current deferred tax liabilities	(2,922,341)	(1,907,138)
Total net deferred tax liabilities	($2,283,914)	($750,515)

The current accounting standards require that deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their bases for financial reporting purposes. In addition, future tax benefits, such as minimum tax credit carry forwards, are required to be recognized to the extent that realization of such benefits is more likely than not. As of September 30, 2016 and 2015, BHSF had no material unrecognized tax positions.

BHSF is periodically audited by federal and state taxing authorities. The outcome of these audits may result in BHSF being assessed taxes in addition to amounts previously paid. Federal returns for fiscal years 2013 through 2015 remain open and subject to examination by the IRS.

13. LEASE AGREEMENTS

BHSF and its affiliates have lease agreements that provide for terms of five to twenty years and for renewals at rents to be negotiated. Rents are adjusted annually for changes in the Consumer Price Index ("CPI").

The following is a schedule of the approximate minimum future rental revenue for the next five years and thereafter on non-cancelable leases in effect at September 30, 2016:

Year ending September 30	
2017	$7,924,000
2018	6,529,000
2019	5,070,000
2020	2,540,000
2021	1,313,000
Thereafter	1,817,000
Total	$25,193,000

14. COMMITMENTS AND CONTINGENCIES

Construction - BHSF has made certain commitments associated with its continuous construction programs. BHSF's future construction expenditures related to these commitments in years subsequent to 2016 are estimated at $115,237,000, including construction related to the Miami Cancer Institute, a multi-purpose facility under construction on the campus of Baptist Hospital. Actual construction expenditures may vary from these estimates.

Information Technology and Other Purchase Commitments - BHSF has made certain commitments for various information technology products and services, as well as other equipment and services. These expenditures are payable up to ten years subsequent to 2016 and are estimated at $255,677,000. Actual expenditures may vary from these estimates.

Operating Leases - BHSF's operating leases are primarily related to its copy machines, miscellaneous medical equipment, and parking and office space. Copy machine and miscellaneous medical equipment leases are subject to automatic renewal at the end of their respective lease terms for successive one-year periods under renegotiated terms and conditions. BHSF leases parking and office space under agreements that provide for terms of three to thirty years and renewals at rates to be negotiated. Office space rents are adjusted annually for changes in the CPI. Total lease expenses charged to operations for the years ended September 30, 2016 and 2015, amounted to approximately $20,843,000 and $16,424,000, respectively.

The following is a schedule of the approximate minimum future rental payments for the next five years and thereafter on non-cancelable leases in effect at September 30, 2016:

Year ending September 30	
2017	$11,843,000
2018	10,027,000
2019	8,466,000
2020	6,816,000
2021	4,343,000
Thereafter	11,704,000
Total	$53,199,000

Physician Income Guarantees - Baptist Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Baptist Hospital provide income and revenue guarantee agreements to certain non-employed physicians and physician groups who agree to fill a community need in the hospitals' service areas and commit to remain in practice there for a specified period of time. Under such agreements, the hospitals are required to make payments to the physicians and

physician groups in excess of the amounts earned or revenue collected in their practices up to the amount of the guarantees. The income and revenue collection guarantee agreements in effect at September 30, 2016, expire at various times through July 31, 2018.

At September 30, 2016, the maximum potential amount of future payments under the income and revenue collection guarantees was $32,706,000. At September 30, 2016, a liability for future payments under the income and revenue collection guarantees in the amount of $29,618,000 is included in accrued expenses and other current liabilities and other liabilities in the accompanying consolidated balance sheet.

Litigation - BHSF is subject to claims and suits, including malpractice allegations, arising in the ordinary course of business. It is management's opinion, based on consultation with legal counsel and prior experience with similar cases, that the ultimate resolution of such suits now pending will not have a material adverse effect on BHSF's future financial position, results from consolidated operations or its cash flows.

Other Matters - In September 2014, South Miami Hospital, Inc., Baptist Hospital, Inc. and BHSF were each served with a Civil Investigative Demand ("CID") from the United States Department of Justice ("USDOJ"). The CIDs generally requested documents relating to the activities of a non-employed physician at the hospitals. The CIDs related to a law suit filed under the False Claims Act. Without admitting liability, in November 2016, South Miami Hospital entered into a settlement agreement with the USDOJ, including a settlement payment and a corporate integrity agreement for South Miami Hospital, which has closed this matter as to all BHSF defendants. The settlement payment amount of $12,500,000 is included in accrued expenses and other liabilities in the accompanying balance sheets and administrative and general expenses in the consolidated statements of operations.

In an unrelated matter, since 2013, the USDOJ has been investigating a non-employed physician who has privileges at South Miami Hospital, Inc. In July 2015, the USDOJ informed South Miami Hospital, Inc., that it also is being investigated with respect to the hospital's conduct in this matter. The hospital and BHSF are cooperating with these investigations and complying with applicable investigative requests, including grand jury subpoenas. At this time, we cannot predict when the above-noted matter will be resolved, any estimated loss or range of loss to BHSF in connection with it, or what impact, if any, it might have on BHSF's consolidated financial position, results of operations or cash flows.

Other Industry Risks - The healthcare industry is subject to numerous laws and regulations of federal, state and local governments, which are complex and subject to interpretation. Compliance with these laws and regulations, including those relating to the Medicare and Medicaid programs, can be subject to governmental review and interpretation. Federal government activity has increased with respect to investigations and allegations concerning possible violations of laws and regulations by healthcare providers. Unfavorable outcomes related to these regulatory investigations could result in the imposition of significant monetary fines, and civil and criminal penalties, as well as significant repayments of previously billed and collected revenue from patient services, and exclusion from participation in the Medicare and Medicaid programs.

15. FUNCTIONAL EXPENSES

BHSF provides general healthcare services to residents within its geographic location. Expenses related to providing these services during the years ended September 30, 2016 and 2015, are as follows:

	2016	2015
Healthcare services	$1,535,772,642	$1,473,250,427
Other operating expenses	873,778,582	808,128,976
Total	$2,409,551,224	$2,281,379,403

16. FAIR VALUE MEASUREMENTS

Assets Whose Use is Limited and Other Investments - BHSF has elected the fair value option for all investments in debt and equity securities. BHSF classifies investments according to a hierarchy of techniques used to determine fair value based on the types of inputs.

Level 1 inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that are available as of the measuring date. Securities in this category are primarily cash and short-term investments, U.S. Treasury obligations, corporate equity instruments and foreign exchange contracts.

Level 2 inputs are quoted prices in markets that are not active or inputs that are observable either directly or indirectly. Level 2 inputs include quoted prices for similar assets other than quoted prices in Level 1 or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Investments classified as Level 2 primarily include debt securities such as U.S. Agency obligations, municipal bonds, domestic and foreign corporate bonds and foreign government bonds. BHSF's bank custodians use independent pricing services to provide fair values for these securities. These pricing services use the market and income approaches and utilize pricing models that vary by asset class and incorporate available trade, bid and other market information. For securities that do not trade on a daily basis, these pricing services utilize available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. As of September 30, 2016 and 2015, BHSF has recorded the valuations, without adjustment, which were provided by the pricing service. The Level 2 classification also includes BHSF's investment in the global properties securities fund. This fund is valued using the net asset value provided by the investment manager.

Level 3 inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the asset or liability. Unobservable inputs reflect BHSF's own judgment about the assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments for which fair values are determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. As of September 30, 2016 and 2015, BHSF had alternative investments which are Level 3 on the fair value hierarchy, as noted in the tables below. BHSF's Level 3 investments are valued using the net asset value provided by the investment manager.

Transfers between levels occur when there are changes in the determination of whether inputs are observable or not, and changes in market activity. At September 30, 2016, there were no changes to level classifications for securities held at September 30, 2015.

The disclosure of fair value measurements as of September 30, 2016, is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Financial assets:				
Cash and short-term investments	$153,550,575			$153,550,575
U.S. Treasury obligations	109,282,427			109,282,427
U.S. Agency obligations		$77,778,803		77,778,803
Municipal bonds		6,638,418		6,638,418
Corporate equity instruments	1,150,353,504	244,643		1,150,598,147
Corporate bonds		514,225,409		514,225,409
Foreign government bonds		140,789,151		140,789,151
Foreign corporate bonds		91,739,817		91,739,817
Foreign exchange contracts	1,463,643			1,463,643
Global properties securities fund		55,769,246		55,769,246
Infrastructure fund			$44,015,219	44,015,219
Private debt fund			57,171,568	57,171,568
Private real estate funds			107,343,615	107,343,615
Total	$1,414,650,149	$887,185,487	$208,530,402	$2,510,366,038
Financial liabilities:				
Derivative liabilities	$8,768,000			$8,768,000

The disclosure of fair value measurements as of September 30, 2015, is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Financial assets:				
Cash and short-term investments	$148,724,666			$148,724,666
U.S. Treasury obligations	123,995,717			123,995,717
U.S. Agency obligations		$46,522,628		46,522,628
Municipal bonds		5,417,388		5,417,388
Corporate equity instruments	1,099,169,340	10,944		1,099,180,284
Corporate bonds		518,801,585		518,801,585
Foreign government bonds		278,390,077		278,390,077
Foreign corporate bonds		71,611,642		71,611,642
Foreign exchange contracts	3,062,061			3,062,061
Global properties securities fund		79,906,208		79,906,208
Infrastructure fund			$45,510,000	45,510,000
Private debt fund			58,171,228	58,171,228
Total	$1,374,951,784	$1,000,660,472	$103,681,228	$2,479,293,484
Financial liabilities:				
Derivative liabilities	$6,034,000			$6,034,000

A summary of the change in the fair value of BHSF's Level 3 alternative investments for the years ended September 30, 2016 and 2015, is as follows:

	September 30, 2016		
	Private Debt Fund	Infrastructure Fund	Private Real Estate Funds
Balance, beginning of year	$58,171,228	$45,510,000	
Purchases			$104,352,927
Sales and distributions	(5,313,590)	(583,154)	(602,926)
Realized and unrealized gains and losses - net	4,313,930	(911,627)	3,593,615
Balance, end of year	$57,171,568	$44,015,219	$107,343,616

	September 30, 2015		
	Private Debt Fund	Infrastructure Fund	Commodity Fund
Balance, beginning of year		$49,220,000	$65,551,262
Purchases	$57,652,455		682,307
Sales and distributions		(1,946,832)	(62,460,671)
Realized and unrealized gains and losses - net	518,773	(1,763,168)	(3,772,898)
Balance, end of year	$58,171,228	$45,510,000	$0

In March 2015, BHSF submitted a notice of redemption for 100% of its interest in the commodity fund; all proceeds from the liquidation due to BHSF were received during the year ended September 30, 2015.

BHSF's investment policy provides for a diversified investment portfolio which considers return, risk, social values and BHSF's short-term and long-term liquidity needs, and supports its self-liquidity program. This policy allows participation in alternative investment funds. BHSF's investments in the global properties securities, private debt, infrastructure, and private real estate funds are considered alternative investments and do not have readily determinable fair values. All of BHSF's alternative investments contain restrictions on an investor's ability to liquidate the investment. All funds may restrict redemptions if, in their respective determinations, it would be in the best interest of the fund to do so. Absent the fund manager's election to restrict, redemptions differ from each fund.

The following is a schedule of additional information regarding the alternative investments held by BHSF as of the years ended September 30, 2016 and 2015:

	September 30, 2016			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global property securities	$55,769,246		Monthly	15 days
Infrastructure fund	$44,015,219		Bi-Annually	90 days
Private debt	$57,171,568		Not currently eligible	
Private real estate funds	$107,343,616	$62,250,000	Quarterly	One quarter in advance, 30 days in advance

	September 30, 2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global property securities	$79,906,208		Monthly	15 days
Infrastructure fund	$45,510,000		Bi-Annually	90 days
Private debt	$58,171,228	$2,347,545	Not currently eligible	

Debt - The combined estimated fair value of BHSF's 2007 Bonds and 2011 Taxable Notes at September 30, 2016 and September 30, 2015, were $1,005,603,000 and $1,033,669,000, respectively (See Note 6). The fair values of the 2007 Bonds and 2011 Taxable Notes are determined using a market pricing approach by using trade data, comparable trades, and other information using observable inputs and are considered Level 2 on the fair value hierarchy.

Other Assets and Liabilities - The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, other assets, estimated third-party payor settlements and accrued expenses and other liabilities approximate fair value because of the short maturity of these instruments.

17. SUBSEQUENT EVENTS

In November 2016, BHSF and Fishermen's Community Hospital, a critical access hospital in Monroe County, FL, have signed a letter of intent to explore a potential affiliation between the two organizations. The two organizations are working toward a definitive agreement and affiliation is possible in 2017.

In the first quarter of fiscal year 2017, BHSF repaid its outstanding $25,000,000 commercial paper note and reissued notes for $50,000,000, at an average rate of 0.73% per annum, with a maturity date of January 9, 2017.

In November 2016, subsidiaries of BHE entered into joint venture agreements related to two single-specialty ambulatory surgical centers; the transactions are expected to close in January 2017.

BHSF evaluated events and transactions for potential recognition or disclosure through December 20, 2016, the date the consolidated financial statements were issued.

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

SUPPLEMENTAL CONSOLIDATING BALANCE SHEET INFORMATION
SEPTEMBER 30, 2016

	BHSF Obligated Group					
	Baptist Health South Florida, Inc.	BHSF Hospitals	Baptist Outpatient Services, Inc.	Combined Non-Obligated Group Affiliates	Consolidating Entries	Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$93,827,274	$66,670	$1,100	$25,244,881		$119,139,925
Assets whose use is limited	25,162,335	335,043				25,497,378
Accounts receivable - net	676,282	226,815,594	6,995,979	29,488,805		263,976,660
Due from affiliates	9,852,995				($9,852,995) (2)	0
Other current assets	48,420,913	60,282,578	1,685,901	10,185,556		120,574,948
Total current assets	177,939,799	287,499,885	8,682,980	64,919,242	(9,852,995)	529,188,911
ASSETS WHOSE USE IS LIMITED	2,388,685,320			24,219,204		2,412,904,524
OTHER INVESTMENTS				71,964,136		71,964,136
PROPERTY AND EQUIPMENT - NET	654,466,713	993,002,352	41,765,002	73,169,429		1,762,403,496
BENEFICIAL INTEREST IN NET ASSETS OF BAPTIST HEALTH SOUTH FLORIDA FOUNDATION, INC.	17,714,854	84,124,714	1,324,150		(103,163,718) (3)	0
GOODWILL		22,547,681		30,040,062		52,587,743
OTHER ASSETS	16,920,019	11,273,690	24,460	31,454,877		59,673,046
DUE FROM AFFILIATES	766,258,939			133,557	(766,392,496) (2)	0
NOTE RECEIVABLE - AFFILIATE	3,440,000			1,554,691	(4,994,691) (2)	0
INVESTMENT IN AFFILIATES	387,393,032				(387,393,032) (5)	0
TOTAL ASSETS	$4,412,818,676	$1,398,448,322	$51,796,592	$297,455,198	($1,271,796,932)	$4,888,721,856
LIABILITIES AND NET ASSETS (DEFICIT)						
CURRENT LIABILITIES:						
Accounts payable	$16,097,507					$16,097,507
Estimated third-party payor settlements		$7,863,491				7,863,491
Commercial paper notes	25,000,000					25,000,000
Current maturities of long-term debt		13,701,121 (1)	$118,879 (1)	$89,846		13,909,846
Accrued wages, salaries and benefits	83,650,385	120,260,279	5,639,438	28,100,125		237,650,227
Accrued expenses and other liabilities	69,287,273	214,610,119	9,485,293	35,755,880		329,138,565
Due to affiliates		879,111		8,973,882	($9,852,993) (2)	0
Total current liabilities	194,035,165	357,314,121	15,243,610	72,919,733	(9,852,993)	629,659,636
LONG-TERM DEBT	250,000,000 (1)	692,809,335 (1)	6,011,275 (1)	304,052		949,124,662
OTHER LIABILITIES	4,343,427	129,191,095	2,280,257	9,040,868		144,855,647
NOTE PAYABLE - AFFILIATE		1,554,691		3,440,000	(4,994,691) (2)	0
DUE TO AFFILIATES	814,841,726	414,390,726		352,001,772	(1,581,234,224) (2)	0
Total liabilities	1,263,220,318	1,595,259,968	23,535,142	437,706,425	(1,596,081,908)	1,723,639,945
NET ASSETS (DEFICIT):						
Unrestricted:						
Baptist Health South Florida, Inc. and Affiliates	3,086,565,427	(281,271,403)	26,937,300	(327,227,441)	559,158,218 (5)	3,064,162,101
Noncontrolling interests					15,483,553 (4)	15,483,553
Total unrestricted net assets (deficit)	3,086,565,427	(281,271,403)	26,937,300	(327,227,441)	574,641,771	3,079,645,654
Temporarily restricted	49,871,957	72,208,854	1,324,150	66,940,240	(118,069,918) (3,5)	72,275,283
Permanently restricted	13,160,974	12,250,903		13,160,974	(25,411,877) (3,5)	13,160,974
Total net assets (deficit)	3,149,598,358	(196,811,646)	28,261,450	(247,126,227)	431,159,976	3,165,081,911
STOCKHOLDER'S EQUITY:						
Capital stock				4,200	(4,200) (5)	0
Additional paid-in-capital				20,073,166	(20,073,166) (5)	0
Retained earnings				71,314,081	(71,314,081) (5)	0
Total stockholder's equity				91,391,447	(91,391,447)	0
Noncontrolling interests				15,483,553	(15,483,553) (4)	0
Total equity				106,875,000	(106,875,000)	0
Total net assets (deficit) and stockholder's equity	3,149,598,358	(196,811,646)	28,261,450	(140,251,227)	324,284,976	3,165,081,911
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$4,412,818,676	$1,398,448,322	$51,796,592	$297,455,198	($1,271,796,932)	$4,888,721,856

Notes:

(1) The members of the BHSF Obligated Group are jointly and severally liable for the entire amount of the long -term debt issued under the Master Trust Indenture. Long-term debt has been allocated to members of the BHSF Obligated Group based on the use of the proceeds.
(2) To eliminate intercompany receivables and payables
(3) To eliminate beneficial interest in net assets of Baptist Health South Florida Foundation, Inc.
(4) To reclassify noncontrolling interests
(5) To eliminate equity in income, the investment balance in affiliates and the related retained earnings

BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES

SUPPLEMENTAL CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED SEPTEMBER 30, 2016

	BHSF Obligated Group					
	Baptist Health South Florida, Inc.	BHSF Hospitals	Baptist Outpatient Services, Inc.	Combined Non-Obligated Group Affiliates	Consolidating Entries	Consolidated
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:						
Net patient service revenue before provision for doubtful accounts		$2,287,932,025	$106,215,600	$215,843,628		$2,609,991,253
Provision for doubtful accounts		291,328,793	2,875,876	10,997,324		305,201,993
Net patient service revenue		1,996,603,232	103,339,724	204,846,304		2,304,789,260
Rental revenue	$3,388,948			13,799,837	($6,459,096) (6,7)	10,729,689
Other operating revenue	602,689,315	25,114,210	4,413,275	61,770,567	(633,364,440) (6)	60,622,927
Total unrestricted revenues, gains and other support	606,078,263	2,021,717,442	107,752,999	280,416,708	(639,823,536)	2,376,141,876
EXPENSES:						
Wages, salaries and benefits	307,859,870	823,189,202	34,068,008	163,694,131	(148,448) (7)	1,328,662,763
Supplies	(2,257,963)	274,062,007	2,673,236	77,387,942	10,065,280 (6,7)	361,930,502
Malpractice and other insurance	56,315,184	53,618,561	(554,109)	7,150,320	(56,264,723) (6)	60,265,233
Administrative and general	203,766,207	716,187,384	57,499,547	76,661,241	(568,503,712) (6,7)	485,610,667
Depreciation and amortization	33,866,735	88,041,644	7,371,959	8,640,758	1,965,430 (7)	139,886,526
Interest	33,113,681	30,053,739	298,748	1,148,906	(31,419,541) (6)	33,195,533
Total expenses	632,663,714	1,985,152,537	101,357,389	334,683,298	(644,305,714)	2,409,551,224
EQUITY IN AFFILIATES	(15,083,226)				15,083,226 (5)	0
(LOSS) INCOME FROM OPERATIONS	(41,668,677)	36,564,905	6,395,610	(54,266,590)	19,565,404	(33,409,348)
OTHER INCOME (EXPENSE):						
Investment income:						
Interest on affiliate advances	1,003,042			186,364	(1,189,406) (6)	0
Other investment income	202,503,964			8,124,095		210,628,059
Other income (loss)	802,381	1,653,708	678,766	169,413	(3,292,772) (6,7)	11,496
Total other income (expense)	204,309,387	1,653,708	678,766	8,479,872	(4,482,178)	210,639,555
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTERESTS	162,640,710	38,218,613	7,074,376	(45,786,718)	15,083,226	177,230,207
INCOME TAX PROVISION				1,601,398		1,601,398
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) FROM CONSOLIDATED OPERATIONS	162,640,710	38,218,613	7,074,376	(47,388,116)	15,083,226	175,628,809
INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS				(12,988,099)		(12,988,099)
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) ATTRIBUTABLE TO BAPTIST HEALTH SOUTH FLORIDA, INC. AND AFFILIATES	$162,640,710	$38,218,613	$7,074,376	($60,376,215)	$15,083,226	$162,640,710

Notes:
(5) To eliminate equity in income, the investment balance in affiliates and the related retained earnings
(6) To eliminate intercompany revenue and expense transactions
(7) To reclassify rental income and expense of BHSF Hospitals from other income to income from operations

BAPTIST HEALTH SOUTH FLORIDA, INC. HOSPITALS

SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION
SEPTEMBER 30, 2016

	Baptist Hospital of Miami, Inc.	Doctors Hospital, Inc.	Homestead Hospital, Inc.	Mariners Hospital, Inc.	South Miami Hospital, Inc.	West Kendall Baptist Hospital, Inc.	Combined
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$36,650	$7,815	$4,310	$2,250	$10,245	$5,400	$66,670
Assets whose use is limited					335,043		335,043
Accounts receivable - net	100,941,631	21,819,441	20,712,732	4,832,314	58,005,750	20,503,726	226,815,594
Other current assets	17,579,944	3,699,793	14,949,913	2,218,636	14,048,245	7,786,047	60,282,578
Total current assets	118,558,225	25,527,049	35,666,955	7,053,200	72,399,283	28,295,173	287,499,885
PROPERTY AND EQUIPMENT - NET	405,805,193	121,682,253	33,374,929	25,166,425	235,023,475	171,950,077	993,002,352
BENEFICIAL INTEREST IN NET ASSETS OF BAPTIST HEALTH SOUTH FLORIDA FOUNDATION, INC.	49,606,932	3,897,901	5,611,502	7,892,394	16,066,533	1,049,452	84,124,714
GOODWILL		22,547,681					22,547,681
OTHER ASSETS	1,824,321	459,718	6,279,355	754,615	591,225	1,364,456	11,273,690
TOTAL ASSETS	$575,794,671	$174,114,602	$80,932,741	$40,866,634	$324,080,516	$202,659,158	$1,398,448,322
LIABILITIES AND NET ASSETS (DEFICIT)							
CURRENT LIABILITIES:							
Estimated third-party payor settlements	$1,746,832	$1,098,349	$1,240,127	$1,894,161	$1,699,912	$184,110	$7,863,491
Current maturities of long-term debt	3,960,299 (1)	2,245,017 (1)	2,317,717 (1)	217,646 (1)	2,835,135 (1)	2,125,307 (1)	13,701,121
Accrued wages, salaries and benefits	51,420,361	11,056,595	13,621,640	2,957,792	30,179,308	11,024,583	120,260,279
Accrued expenses and other liabilities	87,730,370	16,069,105	28,470,931	4,680,557	59,576,872	18,082,284	214,610,119
Due to affiliates		879,111					879,111
Total current liabilities	144,857,862	31,348,177	45,650,415	9,750,156	94,291,227	31,416,284	357,314,121
LONG-TERM DEBT	200,256,607 (1)	113,522,398 (1)	117,197,253 (1)	11,005,480 (1)	143,361,037 (1)	107,466,560 (1)	692,809,335
OTHER LIABILITIES	62,804,222	12,277,047	20,037,164	2,392,559	19,561,268	12,118,835	129,191,095
NOTE PAYABLE - AFFILIATE	1,554,691						1,554,691
DUE TO AFFILIATES	133,557		298,209,520			116,047,649	414,390,726
Total liabilities	409,606,939	157,147,622	481,094,352	23,148,195	257,213,532	267,049,328	1,595,259,968
NET ASSETS (DEFICIT):							
Unrestricted	116,580,800	13,069,079	(405,773,113)	9,826,045	50,465,408	(65,439,622)	(281,271,403)
Temporarily restricted	47,287,991	3,897,901	5,611,502	6,287,951	8,074,057	1,049,452	72,208,854
Permanently restricted	2,318,941			1,604,443	8,327,519		12,250,903
Total net assets (deficit)	166,187,732	16,966,980	(400,161,611)	17,718,439	66,866,984	(64,390,170)	(196,811,646)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$575,794,671	$174,114,602	$80,932,741	$40,866,634	$324,080,516	$202,659,158	$1,398,448,322

Note:

(1) The members of the BHSF Obligated Group are jointly and severally liable for the entire amount of the long-term debt issued under the Master Trust Indenture. Long-term debt has been allocated to members of the BHSF Obligated Group based on the use of the proceeds.

BAPTIST HEALTH SOUTH FLORIDA, INC. HOSPITALS

SUPPLEMENTAL COMBINING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED SEPTEMBER 30, 2016

	Baptist Hospital of Miami, Inc.	Doctors Hospital, Inc.	Homestead Hospital, Inc.	Mariners Hospital, Inc.	South Miami Hospital, Inc.	West Kendall Baptist Hospital, Inc.	Combined
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:							
Net patient service revenue before provision for doubtful accounts	$964,569,008	$212,856,856	$237,403,375	$71,713,949	$549,033,052	$252,355,785	$2,287,932,025
Provision for doubtful accounts	96,806,543	19,206,336	62,441,914	12,185,745	56,666,806	44,021,449	291,328,793
Net patient service revenue	867,762,465	193,650,520	174,961,461	59,528,204	492,366,246	208,334,336	1,996,603,232
Other operating revenue	12,533,924	1,348,706	1,790,897	745,393	4,887,483	3,807,807	25,114,210
Total unrestricted revenues, gains and other support	880,296,389	194,999,226	176,752,358	60,273,597	497,253,729	212,142,143	2,021,717,442
EXPENSES:							
Wages, salaries and benefits	358,711,351	72,663,038	96,373,342	19,331,685	191,797,917	84,311,869	823,189,202
Supplies	127,462,367	28,897,300	18,955,141	5,318,879	72,571,698	20,856,622	274,062,007
Malpractice and other insurance	24,900,006	552,934	7,121,526	737,276	13,229,522	7,077,297	53,618,561
Administrative and general	286,672,196	63,736,060	83,106,747	21,124,078	188,753,432	72,794,871	716,187,384
Depreciation and amortization	35,585,025	10,871,604	4,435,166	2,460,581	23,952,964	10,736,304	88,041,644
Interest	8,071,827	5,563,348	5,819,742	546,951	5,066,028	4,985,843	30,053,739
Total expenses	841,402,772	182,284,284	215,811,664	49,519,450	495,371,561	200,762,806	1,985,152,537
INCOME (LOSS) FROM OPERATIONS	38,893,617	12,714,942	(39,059,306)	10,754,147	1,882,168	11,379,337	36,564,905
OTHER INCOME (EXPENSE)	634,863	(212,772)	263,339	279,737	1,640,990	(952,449)	1,653,708
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	$39,528,480	$12,502,170	($38,795,967)	$11,033,884	$3,523,158	$10,426,888	$38,218,613

APPENDIX C.

THE MASTER INDENTURE

This APPENDIX C contains a copy of the Master Indenture and its supplements.

The Master Indenture was originally executed and delivered in connection with the issuance of the Series 2007 Bonds and has been supplemented or amended by the First Supplemental Master Trust Indenture dated as of May 1, 2011 (the "First Supplemental Master Indenture"), which was executed in connection with the issuance of the Series 2011 Notes, and a Second Supplemental Master Trust Indenture dated as of December 21, 2011 (the "Second Supplemental Master Indenture"), which was executed in connection with the issuance of the Commercial Paper Notes. The First Supplemental Master Indenture also amended Section 701(b) of the Master Indenture, and each Supplemental Indenture amended Section 405 of the Master Indenture.

The Master Indenture will be further supplemented by a Third Supplemental Master Trust Indenture (the "Third Supplemental Master Indenture") to be executed in connection with the issuance of the Series 2017 Notes.

Copies of the First and Second Supplemental Master Indentures and the proposed form of the Second Supplemental Master Indenture are included in this APPENDIX C following the copy of the Master Indenture. The Obligated Group expects that the Third Supplemental Master Indenture will conform to the proposed form included in this APPENDIX C in all material respects; however, in the event of conflict between the executed version of the Third Supplemental Master Indenture and the proposed form, the executed version will control.

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE

AMONG

BAPTIST HEALTH SOUTH FLORIDA, INC.,
BAPTIST HOSPITAL OF MIAMI, INC.,
BAPTIST OUTPATIENT SERVICES, INC.,
DOCTORS HOSPITAL, INC.,
HOMESTEAD HOSPITAL INC.,
MARINERS HOSPITAL, INC.,
SOUTH MIAMI HOSPITAL, INC.,
WEST KENDALL BAPTIST HOSPITAL, INC.

AND

WELLS FARGO BANK, N.A.,
as Master Trustee

Dated as of May 1, 2007

Direct Obligations

This instrument was prepared by:

Lynn Leland Coe
Amy Cobb Curran
Megan Rudd
Jones Day
77 W. Wacker
Chicago, Illinois 60601

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS	3
ARTICLE II	THE OBLIGATIONS	23
Section 201.	Series, Designation and Amount of Obligations	23
Section 202.	Payment of Obligations	24
Section 203.	Execution	24
Section 204.	Authentication	25
Section 205.	Form of Obligations and Temporary Obligations	25
Section 206.	Mutilated, Lost, Stolen or Destroyed Obligations	26
Section 207.	Registration; Negotiability; Cancellation Upon Surrender; Exchange of Obligations	26
Section 208.	Issuance of Series 2007 Obligation	27
Section 209.	Security for Obligations	28
Section 210.	Issuance of Obligations in Forms Other than Notes	28
ARTICLE III	PREPAYMENT OR REDEMPTION OF OBLIGATIONS	29
Section 301.	Prepayment or Redemption Dates and Prices	29
Section 302.	Notice of Prepayment or Redemption	30
Section 303.	Partial Prepayment or Redemption of Obligations	31
Section 304.	Effect of Call for Prepayment or Redemption	32
ARTICLE IV	GENERAL COVENANTS	32
Section 401.	Payment of Principal, Premium, if any, and Interest	32
Section 402.	Performance of Covenants	32
Section 403.	Representations and Warranties by the Obligated Group	33
Section 404.	Entrance Into the Obligated Group	34
Section 405.	Cessation of Status as a Member of the Obligated Group	35
Section 406.	Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest	36
Section 407.	Risk Management	39
Section 408.	Right to Perform Members' Covenants; Advances	39
Section 409.	Rates and Charges	40
Section 410.	Damage or Destruction	41
Section 411.	Condemnation	42

TABLE OF CONTENTS
(continued)

		Page
Section 412.	Other Provisions with Respect to Net Proceeds	44
Section 413.	Merger, Consolidation, Sale or Conveyance	44
Section 414.	Financial Statements, Etc	45
Section 415.	Permitted Additional Indebtedness	47
Section 416.	Calculation of Debt Service and Debt Service Coverage	53
Section 417.	Sale, Lease or Other Disposition of Property	55
Section 418.	Liens on Property	56
Section 419.	Right to Consent, Etc	56
Section 420.	List of Obligation Holders	57
Section 421.	Designation of Additional Paying Agents	57
Section 422.	Further Assurances; Additional Property	57
Section 423.	Indemnity	58
Section 424.	Dividends and Stock Purchases	59
Section 425.	Maintenance; Recording	59
ARTICLE V	REMEDIES	60
Section 501.	Extension of Payment; Penalty	60
Section 502.	Events of Default	60
Section 503.	Acceleration	61
Section 504.	Remedies; Rights of Obligation Holders	62
Section 505.	Direction of Proceedings by Holders	62
Section 506.	Appointment of Receivers	63
Section 507.	Application of Moneys	63
Section 508.	Remedies Vested in Master Trustee	65
Section 509.	Rights and Remedies of Obligation Holders	65
Section 510.	Termination of Proceedings	65
Section 511.	Waiver of Events of Default	66
Section 512.	Members' Rights of Possession and Use of Property	66
Section 513.	Related Bond Trustee or Bondholders Deemed To Be Obligation Holders	66
ARTICLE VI	THE MASTER TRUSTEE	66

TABLE OF CONTENTS
(continued)

		Page
Section 601.	Acceptance of the Trusts	66
Section 602.	Fees, Charges and Expenses of Master Trustee and any Additional Paying Agent	69
Section 603.	Notice to Obligation Holders if Default Occurs	70
Section 604.	Intervention by Master Trustee	70
Section 605.	Successor Master Trustee	70
Section 606.	Corporate Master Trustee Required; Eligibility	70
Section 607.	Resignation by the Master Trustee	70
Section 608.	Removal of the Master Trustee	71
Section 609.	Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee	71
Section 610.	Concerning Any Successor Master Trustee	71
Section 611.	Master Trustee Protected in Relying Upon Resolutions, Etc	72
Section 612.	Successor Master Trustee as Trustee of Funds, Paying Agent and Obligation Registrar	72
Section 613.	Co-Master Trustees	72
Section 614.	Maintenance of Records	73
ARTICLE VII	SUPPLEMENTAL MASTER INDENTURES	73
Section 701.	Supplemental Master Indentures Not Requiring Consent of Obligation Holders	73
Section 702.	Supplemental Master Indentures Requiring Consent of Obligation Holders	75
ARTICLE VIII	SATISFACTION OF THE MASTER INDENTURE	76
Section 801.	Defeasance	76
Section 802.	Provision for Payment of a Particular Series of Obligations or Portion Thereof	78
Section 803.	Satisfaction of Related Bonds	79
ARTICLE IX	MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS	79
Section 901.	Proof of Ownership	79
ARTICLE X	MISCELLANEOUS	80
Section 1001.	Limitation of Rights	80
Section 1002.	Unclaimed Moneys	80

TABLE OF CONTENTS
(continued)

		Page
Section 1003.	Severability	80
Section 1004.	Notices	80
Section 1005.	Master Trustee as Paying Agent and Registrar	81
Section 1006.	Counterparts	81
Section 1007.	Applicable Law	81
Section 1008.	Immunity of Officers, Employees and Members of Members	81
Section 1009.	Holidays	81

EXHIBIT A — Form of Series 2007 Obligation
EXHIBIT B – List of Exceptions
EXHIBIT C -- List of Obligated Group Members
EXHIBIT D Subordinated Indebtedness

THIS IS A MASTER TRUST INDENTURE dated as of May 1, 2007 (the *"Master Indenture"*) among Baptist Health South Florida, Inc. (the "BHSF"), Baptist Hospital of Miami, Inc. ("Baptist Hospital"), Baptist Outpatient Services, Inc. ("BOS"), Doctors Hospital, Inc. ("Doctors Hospital"), Homestead Hospital, Inc. ("Homestead Hospital"), Mariners Hospital Inc. ("Mariners Hospital"), South Miami Hospital, Inc. ("South Miami Hospital") and West Kendall Baptist Hospital, Inc. ("West Kendall Hospital"), each a Florida not for profit corporation, the initial members of the Obligated Group hereinafter referred to, and Wells Fargo Bank, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its designated corporate trust office currently at 7680 Universal Blvd., Orlando, Florida, herein called the *"Master Trustee"*.

RECITALS:

The Members of the Obligated Group are authorized by law, and deem it necessary and desirable that they be able to issue Direct Obligations and other evidences of indebtedness (collectively, the *"Obligations"*) of several series in order to secure the financing or refinancing of health care facilities and for other lawful and proper corporate purposes.

The Members of the Obligated Group also desire to provide in this Master Indenture for other legal entities to join with them in the future in pooling credit resources in order to achieve lower borrowing costs and to become jointly and severally liable with the Members and other such entities for the payment of the Obligations and the performance of all covenants contained herein. The BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and each legal entity incurring such joint and several liability in accordance with the terms hereof are herein referred to individually as a *"Member"* and collectively as the *"Members"* or the *"Obligated Group."*

All acts and things necessary to make the Series 2007 Obligation (as such term is hereinafter defined), when authorized and executed by the BHSF and authenticated and delivered by the Master Trustee as provided in this Master Indenture, the valid, binding and legal obligation of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Master Indenture and the issuance hereunder of the BHSF's $800,000,000 Direct Note Obligation, Series 2007 (the *"Series 2007 Obligation"*) to the Authority, have in all respects been duly authorized, and the Members, in the exercise of the legal right and power vested in them, execute this Master Indenture and the BHSF proposes to make, execute, issue and deliver the Series 2007 Obligation and the Members may make, execute, issue and deliver one or more Additional Obligations of various series.

In order to declare the terms and conditions upon which Obligations of each series are authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of Obligations of each series by the holders thereof and of the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Members covenant and agree with the Master Trustee, for the equal and proportionate benefit of the respective holders from time to time of Obligations of each series, as follows:

GRANTING CLAUSES

That each Member of the Obligated Group in consideration of the premises and of the purchase of the Series 2007 Obligation and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal of, premium, if any, and interest on the Obligations and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Master Indenture and has conveyed, mortgaged, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in, and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Master Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular the personal property, hereinafter described (said property being herein sometimes referred to as the "trust estate") to wit:

Division I

All accounts now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida; excluding, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under this Master Indenture or on the Obligations (defined and referred to herein as the "Unrestricted Receivables");

Division II

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by any Member or by anyone on its behalf to the Master Trustee, including without limitation, funds of any Member held by the Master Trustee as security for the Obligations;

To Have and to Hold, all and singular, the properties, rights and privileges hereby conveyed, assigned and pledged by the Members or intended so to be, unto the Master Trustee its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of all Obligations issued hereunder, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Obligation over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Obligations shall have the same right, lien and privilege under this Master Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

Provided, However, that the Unrestricted Receivables so pledged hereunder which consist of accounts receivable may be sold free and clear of the lien thereon despite this

pledge if such sale is in accordance with the provisions of this Master Indenture and is on commercially reasonable terms and Unrestricted Receivables so pledged hereunder may be subject to a Lien permitted by clause (v) of the definition of Permitted Encumbrances;

Provided, Nevertheless, and these presents are upon the express condition, that if the Members or their successors or assigns shall well and truly pay or cause to be paid the principal of such Obligations with interest, according to the provisions set forth in the Obligations and each of them or shall provide for the payment or redemption of such Obligations by depositing or causing to be deposited with the Master Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable under the Master Indenture by the Members, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Master Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Members and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Members such instruments of satisfaction or release as may be necessary or proper to discharge this Master Indenture of record, and if necessary shall grant, reassign and deliver to the Members, their successors or assigns, all and singular the property, rights, privileges and interests by them hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Master Indenture shall be and remain in full force.

ARTICLE I

DEFINITIONS

In addition to the words and terms elsewhere defined in this Master Indenture, the following words and terms as used in this Master Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Accelerable Instrument" means any Obligation or any mortgage, indenture, loan agreement or other instrument under which there has been issued or incurred, or by which there is secured, any Indebtedness evidenced by an Obligation, which Obligation or instrument provides that, upon the occurrence of an event of default under such Obligation or instrument, the holder thereof may request that the Master Trustee declare such Obligation or Indebtedness due and payable prior to the date on which it would otherwise become due and payable.

"Act" means the Florida Health Facilities Authorities Law, as from time to time amended.

"Additional Indebtedness" means Indebtedness incurred by any Member subsequent to the issuance of the Series 2007 Obligation.

"Additional Obligations" means any evidence of Indebtedness or evidence of any repayment or other obligation under a Financial Product Agreement which is issued after the issuance of the Series 2007 Obligation, which is authorized to be issued by a Member pursuant to this Master Indenture and which has been authenticated by the Master Trustee pursuant to Section 204 hereof.

"Affiliate" means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, a Member; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of a Member. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, *"Directing Body"* means with respect to: (a) a corporation having stock, such corporation's board of directors and the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation's directors (both of which groups shall be considered a Directing Body); (b) a not for profit corporation not having stock, such corporation's members if the members have complete discretion to elect the corporation's directors, or the corporation's directors if the corporation's members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

"Authority" means the City of South Miami Health Facilities Authority, a body politic and corporate created and existing under and by virtue of the Act, and its successors and assigns.

"Balloon Indebtedness" means Long-Term Indebtedness, 25% or more of the original principal of which matures during any consecutive twelve-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

"Baptist Hospital" means Baptist Hospital of Miami, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"BHSF" means Baptist Hospital of Miami, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Bond Indenture" means the Bond Trust Indenture dated as of May 1, 2007 from the Authority to the Bond Trustee, as it may from time to time be amended or supplemented.

"Bond Trustee" means Wells Fargo Bank, N.A., or any successor trustee under the Bond Indenture.

"Bondholder," "holder" or *"owner of the Bonds"* means the registered owner of any Related Bond.

"Book Value," when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member which have been prepared in accordance with generally accepted accounting principles, and, when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

"Borrowers" means BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital.

"*BOS*" means Baptist Outpatient Services, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Business Day" means a day which is not (a) a Saturday, Sunday or day on which the designated corporate trust office of the Master Trustee is lawfully and temporarily closed or (b) a day on which the New York Stock Exchange is closed.

"Capitalized Interest" means amounts irrevocably deposited in a fund created under a Related Bond Indenture or in escrow to pay interest on Funded Indebtedness or Related Bonds and interest earned on such deposits to the extent such interest earned is required to be applied to pay interest on Funded Indebtedness or Related Bonds.

"Capitalized Lease" means any lease of real or personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee.

"Capitalized Rentals" means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated pursuant thereto.

"Co-Master Trustee" means any co-trustee appointed and then serving pursuant to Section 613 hereof.

"Commitment Indebtedness" means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member, or (b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of Section 415 hereof, and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses payable to such financial institution for, under or in connection with such commitment, in the

event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement.

"Completion Funded Indebtedness" means any Funded Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities with respect to which Funded Indebtedness for borrowed money or credit extended has been incurred in accordance with the provisions hereof; and (b) with a principal amount not in excess of the amount required to provide a completed and equipped Facility of substantially the same type and scope contemplated at the time such prior Funded Indebtedness was originally incurred, to provide for Capitalized Interest during the period of construction and equipping, to provide any reserve fund relating to such Completion Funded Indebtedness and to pay the costs and expenses of issuing such Completion Funded Indebtedness.

"Construction Index" means the most recent issue of the *"Dodge Construction Index for U.S. and Canadian Cities"* with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under the Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Agent in an Officer's Certificate delivered to the Master Trustee.

"Consultant" means a professional consulting or banking firm selected by the Obligated Group Agent, having the skill and experience necessary to render the particular report required and having a favorable and nationally recognized reputation for such skill and experience, which firm does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof.

"Contributions" means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities.

"Cross-over Date" means, with respect to Cross-over Refunding Indebtedness, the date on which the principal portion of the Cross-over Refunded Indebtedness is paid or redeemed, or on which it is anticipated that such principal portion will be paid or redeemed, from the proceeds of such Cross-over Refunding Indebtedness.

"Cross-over Refunded Indebtedness" means Indebtedness of a Person refunded by Cross-over Refunding Indebtedness.

"Cross-over Refunding Indebtedness" means Indebtedness of a Person issued for the purpose of refunding other Indebtedness of such Person if the proceeds of such Cross-over Refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable Cross-over Date of the Cross-over Refunded Indebtedness and earnings on such

escrow deposit are required to be applied to pay interest or principal on either or both of such Cross-over Refunding Indebtedness or such Cross-over Refunded Indebtedness until the Cross-over Date.

"Cumulative Net Income Available for Dividends" means for any Person the amount equal to the sum of the Income Available for Debt Service of such Person for each Fiscal Year during which such Person is a Member of the Obligated Group subsequent to September 30, 2006, less, in each Fiscal Year, interest on Funded Indebtedness, depreciation and amortization.

"Current Value" means (i) with respect to Property, Plant and Equipment: (a) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Agent and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated; plus (b) the Book Value of any Property, Plant and Equipment acquired since the last such report, increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated; minus (c) the greater of the Book Value or the fair market value (as reflected in the most recent appraiser's report) of any Property, Plant and Equipment disposed of since the last such report, increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, and (ii) with respect to any other Property, the fair market value of such Property which fair market value shall be evidenced in a manner satisfactory to the Master Trustee.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Funded Indebtedness of each Person or a group of Persons with respect to which calculated; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Sections 415 and 416 hereof; (b) interest shall be excluded from the determination of Debt Service Requirements to the extent that Capitalized Interest is available to pay such interest; and (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal.

"Doctors Hospital" means Doctors Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Enabling Statute" means the Act and any other legislation pursuant to which any series of Related Bonds is issued.

"Encumbered" means, with respect to Property, subject to a Lien described in subsections (b), (d) (other than a Lien securing Non-Recourse Indebtedness,) (f) (including only leases whereunder any Member is lessor entered into in accordance with the disposition of Property provisions of the Master Indenture which were not in existence on April 1, 2007), (n), (t), (u), (v), and (x)(ii) of the definition of Permitted Encumbrances and all other Liens not described in the definition of Permitted Encumbrances; provided that any amounts on deposit in a construction or similar fund created in connection with the issuance of an Obligation which are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property which is not subject to a Lien.

"Escrow Obligations" means, (i) with respect to any Obligation which secures a series of Related Bonds, the obligations permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (ii) in all other cases (a) United States Government Obligations, (b) obligations of any agency or instrumentality of the United States Government, (c) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or any similar corporation chartered by the United States or (2) secured by a pledge of any United States Government Obligations which have an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Master Trustee, (d) (1) evidences of a direct ownership in future interest or principal payments on obligations of the type described in (a) above, which obligations are held in a custody account by a custodian satisfactory to the Master Trustee pursuant to the terms of a custody agreement and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are not callable before the date the principal thereof will be required to be paid and which obligations are fully secured by and payable solely from obligations of the type described in (a) above, which securities are held pursuant to an agreement in form and substance acceptable to the Master Trustee, or (e) after 30 days' prior written notice to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, shares or certificates in any short-term investment fund which is maintained by the Master Trustee or a Related Bond Trustee.

"Existing Facilities" means any Property constituting the primary healthcare Facilities of the Obligated Group in existence on the dated date hereof.

"Expenses" means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles in use in the United States (except to the extent provided in the last paragraph of Article I hereof), including without limitation any taxes and any bad debt expense, incurred by the Person or group of Persons involved during such period, minus (a) interest on Funded Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense and, if such calculation is being made with respect to the Obligated Group, excluding any such expenses attributable to transactions between any Member and any other Member, (e) losses resulting from any reappraisal, revaluation or write-down of assets, (f) to the extent treated as an expense,

any unrealized losses resulting from change in the valuation of investment securities or Financial Product Agreements, (g) losses on the sale of assets other than in the ordinary course of business and (h) losses on the extinguishment of debt.

"Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

"*Financial Product Agreement"* means an interest rate swap, basis swap, index swap or option, exchange, cap, collar, option, floor, forward, futures contract or other hedging agreement, arrangement or security, or combination of the foregoing, however denominated, including any option to enter into the foregoing, identified to the Master Trustee in a certificate of the Obligated Group Agent as having been entered into by a Member of the Obligated Group for the purpose of reducing, modifying, converting or otherwise managing the Member's risk of interest rate or interest rate index changes or interest rate or interest rate index exposures or risk of changes or exposures to prices of commodities, securities, portfolios, products, supplies, goods or services. Obligations of a Member of the Obligated Group in respect of a Financial Product Agreement shall not constitute Indebtedness hereunder except to the extent such a Financial Product Agreement provides for the repayment of money borrowed, credit extended or the equivalent.

"Fiscal Year" means any twelve-month period beginning on October 1 of any calendar year and ending on September 30 of the next succeeding calendar year or such other consecutive twelve-month period selected by the Obligated Group Agent as the fiscal year for the Members.

"*Fitch*" means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"Funded Indebtedness" means, with respect to any Person, (i) all Indebtedness of such Person for money borrowed or credit extended which is not Short-Term; (ii) all Indebtedness of such Person incurred or assumed in connection with the acquisition or construction of Property which is not Short-Term; (iii) all Short-Term Indebtedness incurred by the Person which is of the type described in Section 415(E) hereof; (iv) the Person's Guaranties of Indebtedness which are not Short-Term; and (v) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Indenture.

"Funded Indebtedness Ratio" means the ratio consisting of (i) a numerator equal to the amount determined by dividing the Obligated Group's total Funded Indebtedness by the sum of (a) such Funded Indebtedness and (b) the Obligated Group's total net assets (as reflected in or derived from the most recent audited combined financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles) and (ii) a denominator of one.

"Governing Body" means, with respect to a Member, the board of directors, board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"Guaranty" means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (l) to purchase such Indebtedness or obligation or any Property constituting security therefor; (2) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (3) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (4) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

"Historical Debt Service Coverage Ratio" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Debt Service Requirements for such period and a denominator of one; provided that, when such calculation is being made with respect to the Obligated Group, Income Available for Debt Service and Debt Service Requirements shall be determined only with respect to those Persons who are Members of the Obligated Group at the time of such calculation; provided, further, that in calculating the Debt Service Requirements for any completed period, the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Indenture or from amounts deposited to provide for such payment pursuant to an amortization schedule established and maintained in accordance with the provisions of Section 415(G)(ii)(a) and (b), which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal became due.

"Historical Maximum Annual Debt Service Coverage Ratio" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Historical Maximum Annual Debt Service Requirements on the Funded Indebtedness of the Person or Persons involved during any completed period and a denominator of one; provided, however, that in calculating the Debt Service Requirements for any completed period, the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Indenture or from amounts deposited to provide for such payment pursuant to an amortization schedule established and maintained in accordance with Section 415(G)(ii)(a) and (b), which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal became due.

"Historical Maximum Annual Debt Service Requirements" means the largest total Debt Service Requirements for the Fiscal Year with respect to which an Historical Maximum Annual Debt Service Coverage Ratio is being calculated or any subsequent Fiscal Year on the Funded Indebtedness of the Person or Persons involved which was simultaneously outstanding during the

Fiscal Year with respect to which an Historical Maximum Annual Debt Service Coverage Ratio is being calculated.

"Historical Pro Forma Debt Service Coverage Ratio" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness then outstanding (other than any Funded Indebtedness being refunded with the Funded Indebtedness then proposed to be issued) and the Funded Indebtedness then proposed to be issued and a denominator of one; provided that, when such calculation is being made with respect to the Obligated Group, Income Available for Debt Service and Maximum Annual Debt Service Requirement shall be determined only with respect to those Persons who are Members of the Obligated Group at the time of such calculation.

"*Homestead Hospital*" means Homestead Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Income Available for Debt Service" means, for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

"Indebtedness" means, for any Person, (a) all Guaranties by such Person, (b) all liabilities (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with generally accepted accounting principles in use in the United States (except to the extent provided in the last paragraph of Article 1 hereof), if such liabilities were incurred, assumed or established primarily to assure the repayment of money borrowed, credit extended or the equivalent thereof, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events including without limitation take or pay contracts or (ii) if incurred or assumed primarily to assure the repayment of money borrowed, credit extended or the equivalent thereof, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others or otherwise, and shall include, without limitation, Non-Recourse Indebtedness; provided that Indebtedness shall not include Indebtedness of one Member to another Member, any Guaranty by any Member of Indebtedness of any other Member, the joint and several liability of any Member on Indebtedness issued by another Member, Financial Product Agreements, except to the extent such Financial Product Agreements provide for the repayment of money borrowed, credit extended or the equivalent thereof, or any obligation to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

"Independent Architect" means an architect, engineer or firm of architects or engineers selected by a Member and licensed by, or permitted to practice in, the state where the construction involved is located, which architect, engineer or firm of architects or engineers, in the case of an individual, is not a member, director, officer or employee of any Member of the Obligated Group or any Affiliate thereof and, in the case of a firm, does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or any Affiliate thereof.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee or any Related Bond Trustee.

"Lien" means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than any Member, and any Capitalized Lease under which any Member is lessee and the lessor is not another Member.

"Loan Agreement" means the Loan Agreement dated as of May 1, 2007 between the Borrowers and the Authority, as it may from time to time be amended or supplemented.

"Long-Term Indebtedness" means Indebtedness (which also may constitute Balloon Indebtedness or Put Indebtedness) having an original stated maturity or term greater than one year or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

"*Mariners Hospital*" means Mariners Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Master Indenture" means this Master Trust Indenture dated as of May 1, 2007 between the Members of the Obligated Group and the Master Trustee, as it may from time to time be amended or supplemented in accordance with the terms hereof.

"Master Trustee" means Wells Fargo Bank, N.A., or any successor trustee under the Master Indenture.

"Maximum Annual Debt Service Requirement" means the largest total Debt Service Requirements for all Funded Indebtedness outstanding for the current or any succeeding Fiscal Year; provided that in applying the provisions of Section 409 hereof the current year shall be deemed to include the Fiscal Year with respect to which historical debt service coverage is being calculated and provided further that in calculating Maximum Annual Debt Service Requirement for the purposes of applying such provisions, the principal amount of any Indebtedness included in such calculation which is paid during the year with respect to which historical debt service coverage is being calculated shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Indenture or from amounts deposited to provide for such payment pursuant to an amortization schedule established and maintained in accordance with the provisions of Section 415(G)(ii)(a) and (b), which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal was paid; provided further that principal and interest payments on Indebtedness due on the first day or first Business Day of a month shall be deemed payable during the preceding month if they are required to be fully deposited with a trustee for such Indebtedness during such preceding month.

"Member" or *"Member of the Obligated Group"* means any Person who is listed on Exhibit C hereto after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"Net Patient Revenues" means, for any period, (i) in the case of any Person providing health care services, the sum of (a) net patient service revenues, plus (b) other operating revenues; and (ii) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally accepted accounting principles, but excluding in any event (a) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course or (b) earnings resulting from any reappraisal, revaluation or write-up of assets; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member.

"Net Proceeds" means, when used with respect to any insurance or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used less all expenses (including attorney's fees, adjuster's fees and any expenses of the Master Trustee) incurred in the collection of such gross proceeds.

"Net Rentals" means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so-called *"percentage lease"* shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

"Non-Recourse Indebtedness" means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment and the income therefrom, not less than 80% of the cost of which Property, Plant and Equipment shall have been financed solely with the proceeds of such Indebtedness with no recourse, directly or indirectly, to any other Property of any Member.

"Obligated Group" means BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in Section 404 hereof and which has not ceased such status pursuant to Section 405 hereof.

"Obligated Group Agent" means the BHSF or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee and each Related Issuer executed by the President, Chief Financial Officer or Chairman of the Governing Body of the BHSF or, if the BHSF is no longer a Member of the Obligated Group, of each Member of the Obligated Group.

"Obligation" means the Series 2007 Obligation and any Additional Obligations and any Obligation or Obligations issued in exchange therefor.

"Obligation holder", *"holder"* or *"owner of the Obligation"* means the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation, in which case such alternative provision shall control.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by a corporation, by the President, any Vice President or any other officer authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Master Trustee.

"Official Statement" means the Official Statement dated April 27, 2007 prepared in connection with the issuance and sale of the Series 2007 Bonds.

"Outstanding" means, in the case of Indebtedness of a Person other than Related Bonds or Obligations, all such Indebtedness of such Person which has been issued except any such portion thereof cancelled after purchase on the open market or surrender for cancellation or because of payment at or redemption prior to maturity, any such Indebtedness in lieu of which other Indebtedness has been duly issued and any such Indebtedness which is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such Indebtedness.

"Outstanding Obligations" or *"Obligations outstanding"* means all Obligations which have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except:

(a) Obligations cancelled after purchase in the open market or because of payment at or prepayment or redemption prior to maturity;

(b) (i) Obligations for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Master Trustee (whether upon or prior to the maturity or redemption date of any such Obligations); provided that if such Obligations are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption shall have been given or irrevocable arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee and (ii) Obligations securing Related Bonds for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Obligations); provided that if such Related Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Obligations in lieu of which others have been authenticated hereunder; and

(d) For the purpose of all consents, approvals, waivers and notices required to be obtained or given under the Master Indenture, Obligations held or owned by a Member of the Obligated Group.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed outstanding if such Related Bonds are Outstanding.

"Outstanding Related Bonds" or *"Related Bonds outstanding"* means all Related Bonds which have been duly authenticated and delivered by the Related Bond Trustee under the Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds which have been so authenticated and delivered, except:

(a) Related Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (ii)(a) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the Related Bond Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture; and

(d) For the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture, Related Bonds held or owned by a Member.

"*BHSF*" means Baptist Health South Florida, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Paying Agent" means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of and interest on any Related Bonds or designated pursuant to the Master Indenture to receive and disburse the principal of and interest on any Obligations.

"Permitted Encumbrances" means the Master Indenture, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

(a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or

other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(b) any Lien on Property acquired by a Member, which Lien secures Indebtedness issued, incurred or assumed by any Member in connection with and to effect such acquisition or existing Indebtedness which will remain outstanding after such acquisition but will not be assumed by a Member, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value of the Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(c) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member;

(d) any Lien on the Property of any Member permitted under the provisions of Section 418 hereof;

(e) any Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

(f) leases which relate to Property of the Obligated Group which leases are of a type that, in the judgment of the Obligated Group Agent, are reasonably necessary or appropriate for or incidental to the use of such Property, taking into account the nature and terms of the leases and the nature and purposes of the Property; any lease of space for specialty services related to the operation of a health care facility such as, but not limited to, pathology, laboratory, x-ray, physical medicine, anesthesiology, electrocardiology, behavioral health, oncology, adult and child day care, and emergency room operations and patient or employee convenience activities such as, but not limited to, day care services, banking services, gift shops, snack shops, barber or beauty shops, flower shops, pharmacy and living accommodations; leases, licenses or similar rights to use Property to which an Obligated Group Member is a party existing as of May 1, 2007 and any renewals and extensions thereof; any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm's-length transaction;

(g) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 406 hereof;

(h) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(i) any mechanic's, laborer's, materialman's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question or if such Lien is being contested in accordance with the provisions of Section 406 hereof;

(j) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and which do not apply to Property which has been deposited as part of a plan to secure Indebtedness;

(k) zoning laws and similar restrictions which are not violated by the Property affected thereby;

(l) statutory rights under Section 29l, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, rights of the Federal Emergency Management Agency, the United States, the state where the Property is located or any of their regulatory agencies by reason of the provision of disaster or similar aid moneys to a Member and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(m) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(n) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(o) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(p) Liens on moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents;

(q) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(r) any security interest in any debt service or interest reserve, debt service fund or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer or the holder of the Indebtedness issued pursuant to such

Supplemental Master Indenture, Related Bond Indenture or Related Loan Document or the financial institution committed to provide funds in connection with any related Commitment Indebtedness or any security interest in any rebate or similar fund created pursuant to any agreement entered into in connection with any Related Bond;

(s) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures Commitment Indebtedness and only Commitment Indebtedness;

(t) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse on commercially reasonable terms, provided that the principal amount of Indebtedness secured by any such Lien does not exceed the amount of such accounts receivable, and further provided, that the total amount of accounts receivable of the Obligated Group sold with recourse which have not been paid shall not at any one time exceed 25% of the total accounts receivable of the Obligated Group as reflected on the most recent audited financial statements of the Obligated Group;

(u) any Lien arising by reason of deposit in trust of cash (or securities permitted for such purpose pursuant to the terms of the documents governing the payment of or discharge of the Indebtedness with respect to which such deposit is made) in an amount which, together with any income generated by such securities, will be sufficient to pay when due, without reinvestment, all of the principal of, premium, if any, and interest on such Indebtedness, as the same shall become due (either until maturity or earlier redemption), which deposit renders such Indebtedness no longer outstanding within the meaning of the documentation governing such Indebtedness and hereunder;

(v) any Lien on cash or securities granted to enable a Member to obtain or maintain self-insurance or to participate in any funds established to cover insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or similar insurance or social security programs, or which are required in order for a Member to share in the privileges or benefits of such insurance or programs; provided that such Lien does not extend to accounts or the proceeds thereof, as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida, so long as such accounts and proceeds are subject to the security interest in Unrestricted Receivables granted under the Master Indenture;

(w) leases entered into in accordance with the disposition of Property provisions set forth in Section 417 of this Master Indenture;; and

(x) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, and which (i) in the case of Property owned by the Members of the Obligated Group on the date of execution of the Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member.

"Permitted Investments" shall mean and include any of the following:

(a) Qualified Investments as defined in the Bond Indenture;

(b) Interest-bearing time or demand deposits, certificates of deposit, repurchase agreements or other similar banking arrangements with any bank, trust company, national banking association or other saving institution (including any Related Bond Trustee or the Master Trustee), provided that such deposits, certificates, repurchase agreements and other arrangements are (i) fully insured by the Federal Deposit Insurance Corporation, or (ii) fully collateralized by investments of the type described in subparagraph (a) above, or (iii) in or with a government securities dealer, bank, trust company, national banking association or other savings institution whose unsecured debt obligations are rated in any of the three highest rating categories by each Rating Agency then maintaining a rating on any Obligations or Related Bonds; provided that in the case of any Permitted Investments which are repurchase agreements, the investments which are the subject thereof shall be in the possession of the Master Trustee, a Related Bond Trustee or an agent thereof and subject to no prior claims or liens;

(c) Obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from United States Government Obligations which United States Government Obligations are held pursuant to an agreement in form and substance acceptable to the Master Trustee;

(d) Shares or certificates in any short-term investment fund which is maintained by the Master Trustee or a Related Bond Trustee and which is rated in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by each Rating Agency then maintaining a rating on any Obligations or Related Bonds; and

(e) Upon 30 days' prior written notice to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, such other investments which at the time of the acquisition thereof shall be listed as permissible investments for trustee held funds in an indenture, resolution, official statement, offering circular or prospectus prepared in connection with the issuance of any particular series of Obligations issued under this Master Indenture and which other investments are made with respect to or in connection with such Obligations.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

"Projected Debt Service Coverage Ratio" means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness expected to be outstanding during such period and a denominator of one.

"Projected Rate" means the "Bond Buyer Revenue Bond Index" rate for 30-year tax-exempt revenue bonds (the "BBI"), as published by *The Bond Buyer* on any date selected by the Obligated Group that is within 30 days prior to the date of the determination utilizing a Projected Rate. If the BBI is no longer published by *The Bond Buyer*, the Obligated Group may select an alternate index if the Obligated Group demonstrates to the reasonable satisfaction of the Master Trustee that such alternate is substantially equivalent to the BBI. If the BBI is no longer published by *The Bond Buyer* and no alternate index selected by the Obligated Group is found satisfactory to the Master Trustee, the Projected Rate shall be the projected yield at par of an obligation as set forth in the report of a Consultant (which Consultant and report including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee). Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations (or such lesser number as the Consultant shall deem appropriate, but in no event less than one) selected by such Consultant, the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation) which obligations such Consultant states in its report are reasonable comparators to utilize in developing such Projected Rate and which obligations: (i) were outstanding on a date selected by the Consultant which date so selected occurred during the 90-day period preceding the date of the calculation utilizing the Projected Rate in question, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement, including without limitation any letter or line of credit, guaranty or insurance policy, and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Property, Plant and Equipment" means all Property of each Member which is classified as property, plant and equipment under generally accepted accounting principles.

"Put Date" means (i) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its stated maturity date or (ii) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

"Put Indebtedness" means Indebtedness which is (i) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (ii) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated

maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

"Rating Agency" means Moody's, Standard & Poor's or Fitch and their respective successors and assigns.

"Related Bonds" means the Series 2007 Bonds and any other revenue bonds or similar obligations issued by any state, commonwealth or territory of the United States or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to such governmental issuer.

"Related Bond Indenture" means the Bond Indenture and any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

"Related Bond Trustee" means the Bond Trustee and any other trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

"Related Issuer" means the Authority and any other issuer of a series of Related Bonds.

"Related Loan Document" means the Loan Agreement and any other document or documents (including without limitation any lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, sublet or sold to a Member).

"Revenues" means, for any period: (a) in the case of any Person providing health care services, the sum of (i) net patient service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt, termination of pension plans or other extraordinary item, earnings which constitute Capitalized Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), all determined in accordance with generally accepted accounting principles in use in the United States (except to the extent provided in the last paragraph of Article I hereof); and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally accepted accounting principles; but excluding in any event (i) any gains on the sale or other disposition of assets not in the ordinary course, (ii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets and (iii) to the extent treated as revenue, any unrealized gain resulting from changes in the valuation of investment securities or Financial Product Agreements; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member.

"Semiannual Interest Payment Dates" means, with respect to the Series 2007 Bonds, each February 15 and August 15, commencing August 15, 2007.

"Series 2007 Bonds" means the $800,000,000 aggregate principal amount of City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 2007 (Baptist Health South Florida Obligated Group), initially authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Series 2007 Obligation" means BHSF's $800,000,000 Direct Note Obligation, Series 2007 issued under this Master Indenture in substantially the form attached hereto as Exhibit A as security for the Series 2007 Bonds.

"Short-Term", when used in connection with Indebtedness, means having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

"*South Miami Hospital*" means South Miami Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Standard & Poor's " means Standard & Poor's Ratings Service, a division of The McGraw Hill Companies Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"*Subordinated Indebtedness*" means Indebtedness which meets the requirements set forth in Exhibit D hereto.

"Supplemental Master Indenture" means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VII hereof.

"Tax-Exempt Organization" means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which is not a *"private foundation"* within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

"United States Government Obligations" means noncallable and non-prepayable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America.

"Unrestricted Contributions" means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

"Unrestricted Receivables" means all accounts now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida; excluding, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under this Master Indenture or on the Obligations.

"*West Kendall Hospital*" means West Kendall Baptist Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Written Request" means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice Chairman, Mayor, Clerk, President, Vice President, Executive Director, Associate Executive Director, Secretary or Assistant Secretary of the Related Issuer and with reference to any Member means a request in writing signed by the President or any Vice President of such Member, or any other officers designated by the Related Issuer or such Member, as the case may be.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in use in the United States except that all such terms shall be deemed to exclude revenues, expenses, assets (except as hereinafter provided), liabilities and other financial information of any entity which is not a Member of the Obligated Group but whose financial information is required to be combined or consolidated with the financial information of any Member of the Obligated Group or whose income or loss is reflected in such financial information of the Obligated Group as a result of utilizing the equity method of accounting for subsidiaries; provided that the value of any interest of the Members of the Obligated Group in subsidiaries which subsidiaries are not Members of the Obligated Group shall be reflected in the financial statements of the Members of the Obligated Group in accordance with such equity method. All references in any provision herein to generally accepted accounting principles shall be deemed to be similarly qualified regardless of whether specifically so qualified in such provision. Headings of articles and sections herein and the table of contents hereof are solely for the convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

ARTICLE II

THE OBLIGATIONS

Section 201. Series, Designation and Amount of Obligations. No Obligations may be issued under the provisions of this Master Indenture except in accordance with this Article. The total principal amount of Obligations, the number of Obligations and the series of Obligations that may be created under this Master Indenture is not limited except as is set forth with respect to the Series 2007 Obligation in Section 208 hereof and as shall be set forth with respect to any other series of Obligations in the Supplemental Master Indenture providing for the issuance thereof. Each series of Obligations, other than the Series 2007 Obligation, shall be issued pursuant to a Supplemental Master Indenture. Each series of Obligations shall be designated so as to differentiate the Obligations of such series from the Obligations of any other series. Unless provided to the contrary in a Supplemental Master Indenture, Obligations shall be issued as fully registered Obligations with the Obligations of each series to be lettered and numbered R-1 and upward.

Section 202. Payment of Obligations. The principal of, premium, if any, and interest on the Obligations shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the designated corporate trust office of the Master Trustee in Orlando, Florida or at the office of any alternate Paying Agent or agents named in any such Obligations or in a Related Bond Indenture. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued or the election referred to in the next sentence is made, payment of the interest on the Obligations shall be made to the person appearing on the Obligation registration books of the Obligated Group (kept in the designated corporate trust office of the Master Trustee as Obligation Registrar) as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by such holder; provided, however, that any Supplemental Master Indenture creating any Additional Obligation may provide that interest on such Additional Obligation may be paid, upon the request of the holder of such Additional Obligation, by wire transfer. The foregoing notwithstanding, if a Member so elects, payments on such Obligation shall be made directly by such Member, by check or draft hand delivered to the holder thereof or its designee or shall be made by such Member by wire transfer to such holder, in either case delivered on or prior to the date on which such payment is due. Such Member shall give notice of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Obligation or Obligations with respect to which such payment was made by series, designation, number and registered holder. Except with respect to Obligations directly paid and with respect to Obligations as to which more specific or contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligations are issued, the Members agree to deposit with the Master Trustee prior to each due date of the principal of, premium, if any, or interest on any of the Obligations a sum sufficient to pay such principal, premium, if any, or interest so becoming due. Any such moneys shall upon Written Request and direction of the Obligated Group Agent be invested in Permitted Investments. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Obligations pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Document. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments made in accordance with the terms hereof. Supplemental Master Indentures may create such security including debt service reserve funds and other funds as are necessary to provide for payment or to hold moneys deposited for payment or as security for a related series of Additional Obligations.

Section 203. Execution. Obligations shall be executed on behalf of a Member by the manual or, if permitted by law, facsimile signature of its Chairman of the board of trustees, President or any Vice President and shall have impressed or printed by facsimile thereon the corporate seal of such Member, if required by law or the initial Obligation holder, which shall be attested by the manual or, to the extent permitted by law, facsimile signature of its Secretary or any Assistant Secretary. In case any officer whose signature or facsimile of whose signature shall appear on the Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 204. Authentication. No Obligation shall be valid or obligatory for any purpose or entitled to any security or benefit under this Master Indenture unless and until a certificate of authentication on such Obligation substantially in the form set forth below shall have been duly executed by the Master Trustee, and such executed certificate of the Master Trustee upon any such Obligation shall be conclusive evidence that such Obligation has been authenticated and delivered under this Master Indenture. The Master Trustee's certificate of authentication on any Obligation shall be deemed to have been executed by it if signed by an authorized officer or signer of the Master Trustee, but it shall not be necessary that the same officer or signer sign the certificate of authentication on all of the Obligations issued hereunder.

The Master Trustee's authentication certificate shall be in substantially the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Obligation is one of the Obligations described in the within-mentioned Master Indenture.

_____,
as Master Trustee

By _____
Authorized Officer

Section 205. Form of Obligations and Temporary Obligations. The Series 2007 Obligation shall be substantially in the form set forth in Exhibit A hereto. All Additional Obligations issued under this Master Indenture shall be substantially in the form set forth in the Supplemental Master Indenture pursuant to which such Additional Obligations are issued, in each case with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or deemed necessary by the Master Trustee to reflect the terms and conditions thereof as established hereby and by any Supplemental Master Indenture. Unless Obligations of a series have been registered under the Securities Act of 1933, as amended, each Obligation of such series shall be endorsed with a legend which shall read substantially as follows: "This Obligation has not been registered under the Securities Act of 1933, as amended."

Obligations of any series may be initially issued in temporary form exchangeable for definitive Obligations of the same series when ready for delivery. The temporary Obligations shall be of such denomination or denominations as may be determined by the Member executing the same, and may contain such reference to any of the provisions of this Master Indenture as may be appropriate. Every temporary Obligation shall be executed by a Member and be authenticated by the Master Trustee upon the same conditions and in substantially the same manner as the definitive Obligations. If any Member issues temporary Obligations it will execute and furnish definitive Obligations without delay and thereupon the temporary Obligations may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Master Trustee, and the Master Trustee shall authenticate and deliver in exchange for such temporary Obligations an equal aggregate principal amount of definitive

Obligations of the same series and maturity of authorized denominations. Until so exchanged, the temporary Obligations shall be entitled to the same benefits under this Master Indenture as definitive Obligations authenticated and delivered hereunder.

Section 206. Mutilated, Lost, Stolen or Destroyed Obligations. In the event any temporary or definitive Obligation is mutilated, lost, stolen or destroyed, the Member issuing such Obligation may execute and the Master Trustee may authenticate a new Obligation of like form, date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Obligation, such mutilated Obligation shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Obligation, there shall be first furnished to such Member and the Master Trustee evidence of such loss, theft or destruction satisfactory to such Member and the Master Trustee, together with indemnity satisfactory to them. In the event any such Obligation shall have matured, instead of issuing a duplicate Obligation the Obligated Group may pay the same without surrender thereof. The Obligated Group and the Master Trustee may charge the holder or owner of such Obligation with their reasonable fees and expenses in this connection.

Section 207. Registration; Negotiability; Cancellation Upon Surrender; Exchange of Obligations. Upon surrender for transfer of any Obligation at the designated corporate trust office of the Master Trustee, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Obligation or Obligations of the same series, designation and maturity without coupons for a like aggregate principal amount.

The execution by a Member of any Obligation of any denomination shall constitute full and due authorization of such denomination and the Master Trustee shall thereby be authorized to authenticate and deliver such Obligation.

The Master Trustee shall not be required to transfer or exchange any Obligation during the period of 15 days next preceding any interest payment date of such Obligation or to transfer or exchange any Obligation after the notice calling such Obligation or portion thereof for redemption has been given as herein provided, or during the period of 15 days next preceding the mailing of such notice of redemption with respect to any Obligation of the same series and maturity.

As to any Obligation, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Obligation shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid.

Any Obligation surrendered for the purpose of payment or retirement or for replacement pursuant to Section 206 hereof shall be cancelled upon surrender thereof to the Master Trustee or any Paying Agent. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued, if any Member shall acquire any of the Obligations, such Member shall deliver such Obligations to the Master Trustee for cancellation and the

Master Trustee shall cancel the same. Any such Obligations cancelled by any Paying Agent other than the Master Trustee shall be promptly transmitted by such Paying Agent to the Master Trustee. Certification of Obligations cancelled by the Master Trustee and Obligations cancelled by a Paying Agent other than the Master Trustee which are transmitted to the Master Trustee shall be made to the Obligated Group Agent. Cancelled Obligations may be destroyed by the Master Trustee unless instructions to the contrary are received from the Obligated Group Agent.

The Obligated Group and the Master Trustee may charge each Obligation holder requesting an exchange, registration, change in registration or transfer of an Obligation any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

Section 208. Issuance of Series 2007 Obligation. (A) The initial series of Obligations to be issued hereunder shall consist of the Series 2007 Obligation, which shall be designated "Direct Note Obligation, Series 2007 (City of South Miami Health Facilities Authority)." The Series 2007 Obligation is hereby expressly limited to the principal amount of $800,000,000. The Series 2007 Obligation will secure the loan by the Authority to the various Members of the Obligated Group of the proceeds of the Series 2007 Bonds pursuant to the Loan Agreement.

(B) The Series 2007 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the date of issuance of the Series 2007 Bonds.

(C) The Series 2007 Obligation shall bear interest from May 16, 2007 at a rate or rates equal to the interest accruing on and payable with respect to the Series 2007 Bonds said interest shall be payable on or before the fifth calendar day and in all events prior to the second Business Day preceding each February 15 and August 15, commencing August 15, 2007.

(D) Principal of the Series 2007 Obligation shall be payable on or before the fifth calendar day and in all events prior to the second Business Day preceding each August 15 commencing August 15, 2008, in an amount equal to not less than the amount of principal to become due on the Series 2007 Bonds on the next succeeding August 15 by maturity or mandatory bond sinking fund redemption.

(E) BHSF hereby elects to make payments on the Series 2007 Obligation by check or draft hand delivered to the Bond Trustee or by wire transfer to the Bond Trustee, in either case delivered on the date each such payment is due. BHSF also hereby elects to have the Series 2007 Obligation be issuable as a single Obligation only in fully registered form exchangeable solely for another fully registered Obligation of such series.

(F) The Series 2007 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2007 Bonds set forth in the Bond Indenture and the Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2007 Obligation shall include, among other things:

(1) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of the Series 2007 Obligation set forth herein have been complied with and satisfied; and

(2) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2007 Obligation under the Securities Act of 1933, as amended, is not required.

(G) BHSF shall receive certain credits against its required payments of principal of and interest on the Series 2007 Obligation to the extent set forth in Section 7.4 of the Loan Agreement.

(H) This Master Indenture and the Series 2007 Obligation are each an Accelerable Instrument.

Section 209. Security for Obligations. Any one or more series of Obligations issued hereunder may, so long as any Liens created in connection therewith constitute Permitted Encumbrances, be secured by security (including without limitation letters or lines of credit, insurance or Liens on Property, including health care Facilities of the Obligated Group, or security interests in a depreciation reserve, debt service or interest reserve or debt service or similar funds). Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). Consequently, the Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

Section 210. Issuance of Obligations in Forms Other than Notes. To the extent that any Indebtedness which is permitted or required to be issued pursuant to this Master Indenture is not in the form of a promissory note, an Obligation in the form of a promissory note may be issued hereunder and pledged as security for the payment of such Indebtedness in lieu of directly issuing such Indebtedness as an Obligation hereunder. Nevertheless, the parties hereto agree that Obligations may be issued hereunder to evidence any type of Indebtedness (other than Non-Recourse Indebtedness), including without limitation any Indebtedness in a form other than a promissory note. Consequently, the Supplemental Master Indenture pursuant to which any Obligation is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to permit the issuance of such Obligation hereunder and as are not inconsistent with the intent hereof that, except as otherwise expressly provided herein, all Obligations issued hereunder be equally and ratably secured by any lien created hereunder.

In addition, any Financial Product Agreement authenticated as provided in Section 204 hereof by the Master Trustee shall be equally and ratably secured by any lien created under this Master Indenture with all other Obligations. For purposes of Financial Product Agreements, each holder of a Financial Product Agreement which has been authenticated as an Obligation

hereunder shall be deemed a holder of an Obligation only for purposes of receiving payment under this Master Indenture and shall not be entitled to exercise any consent or other rights hereunder.

ARTICLE III

PREPAYMENT OR REDEMPTION OF OBLIGATIONS

Section 301. Prepayment or Redemption Dates and Prices. Obligations shall be subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity as provided in this Master Indenture or the Supplemental Master Indenture pertaining to the series of Obligations to be prepaid or redeemed, but not otherwise.

Unless contrary provision is made in the Supplemental Master Indenture pursuant to which a series of Obligations is issued, the Obligations are callable for redemption prior to maturity in the event of damage to or destruction of the Facilities of any Member or any part thereof or condemnation (or sale consummated under threat of condemnation) of the Facilities of any Member or any part thereof in excess of $10,000,000, but only to the extent provided in Sections 410, 411 and 412 hereof. If called for redemption in such events, the Obligations shall be subject to redemption by the Members at any time, in whole or in part, and if in part then by series and maturities designated by the Obligated Group Agent (and, if less than all of a maturity is being redeemed, by lot in such manner as determined by the Master Trustee), at the principal amount thereof plus accrued interest to the redemption date and without premium; provided that if the proceeds resulting from such damage to or destruction or condemnation or sale consummated under threat of condemnation of any discrete free standing health care Facilities (including but not limited to any hospital, clinic, emergency care center or nursing or extended care center) financed or refinanced directly or indirectly, whether in whole or in part, from the proceeds of any series of Obligations, the Obligated Group Agent will designate the Obligations of such series for redemption prior to any other series of Obligations.

To the extent not otherwise provided herein or in a Supplemental Master Indenture, the Obligated Group shall have the right to prepay or redeem all or such portion of the Obligations of any particular series as shall be necessary to effect the payment, prepayment, redemption, refunding or advance refunding of the series of Related Bonds secured by such Obligations or any portion thereof in the manner provided in the Related Bond Indenture. If called for prepayment or redemption in such events, the Obligations of such series shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or the portion of the series of Related Bonds to be refunded, advance refunded or redeemed.

Except for prepayment or redemption made pursuant to the immediately preceding paragraph and except to the extent that contrary provision is made in the Supplemental Master Indenture pursuant to which a series of Obligations is issued, no redemption of less than all of the Obligations of a particular series at the time outstanding shall be made pursuant hereto unless the aggregate principal amount of such Obligations to be redeemed is equal to or more than $100,000.

Unless contrary provision is made herein with respect to the Series 2007 Obligation, in the Supplemental Master Indenture pursuant to which a series of Obligations is issued or in a Related Loan Document, Obligations may be called for optional prepayment or redemption by the Master Trustee pursuant to this Section 301 upon receipt by the Master Trustee at least 45 days prior to the redemption date of a certificate of the Obligated Group Agent requesting such prepayment or redemption and a resolution of a Member designating funds for such prepayment or redemption. Such certificate shall specify the particular series and the principal amount of such series of Obligations so to be called for prepayment or redemption (and if less than all of a series is to be prepaid, the maturities or portions thereof), the applicable prepayment or redemption price or prices and the provision or provisions of this Master Indenture or any Supplemental Master Indenture pursuant to which such Obligations are to be called for prepayment or redemption.

Obligations of any series with respect to which a sinking fund has been established shall be redeemed by the Master Trustee pursuant to the provisions of such sinking fund and Obligations to be mandatorily redeemed or paid at maturity shall be redeemed or paid at maturity, as the case may be, in accordance herewith and with any Supplemental Master Indenture pursuant to which such Obligations were issued, in both cases without any notice from or direction of any Member.

In lieu of prepaying or redeeming Obligations pursuant to this Section 30l, the Master Trustee may, at the request of the Obligated Group Agent, use funds otherwise available hereunder for the redemption of such Obligations to purchase such Obligations in the open market at a price not exceeding the redemption price then applicable hereunder.

In addition to the redemptions herein provided which are applicable to all Obligations, each series of Additional Obligations shall be redeemable in the manner, at the time or times, at the premiums, if any, and upon the terms specified in the Supplemental Master Indenture pursuant to which such Obligations were issued or in a Related Loan Document.

BHSF may, at its option and subject to the limitations of the Bond Indenture, prepay the Series 2007 Obligation in whole or in part from time to time in order to effect a redemption of Series 2007 Bonds pursuant to Section 501(ii) of the Bond Indenture. Such prepayments shall be made by paying to the Bond Trustee, prior to the applicable redemption date, an amount sufficient to redeem (when redeemable) all or a portion of the Series 2007 Bonds, at the redemption price specified therefor in the Bond Indenture, plus accrued interest required for redemption of such Series 2007 Bonds as shall be redeemed by such prepayment.

Except as hereinafter provided, BHSF shall give the Master Trustee not less than 60 days prior written notice of any prepayment of the Series 2007 Obligation, which notice shall in either case designate the date of prepayment and the amount thereof and direct the redemption of Series 2007 Bonds in amounts corresponding to the prepayment of the Series 2007 Obligation. Such notice may be withdrawn by BHSF prior to delivery of the Authority's notice to the Bond Trustee pursuant to Section 501 of the Bond Indenture.

Section 302. Notice of Prepayment or Redemption. Except as permitted by Section 301 above or unless contrary provision is made with respect to a particular series of Obligations in

the Supplemental Master Indenture pursuant to which such Obligations are issued, notice of the call for any such prepayment or redemption identifying the Obligations to be prepaid or redeemed shall be given by mailing a copy of such notice by registered or certified mail to each Related Issuer and to the registered owner of Obligations to be prepaid or redeemed to the address shown on the registration books maintained by the Master Trustee not less than 30 days prior to the prepayment or redemption date; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing to any particular Obligation holder will not affect the validity of the prepayment or redemption of any other Obligation. Upon the happening of the above conditions and if sufficient moneys have been deposited with the Master Trustee and are available to pay the principal of, premium, if any, and interest on the Obligation to be prepaid or redeemed to the prepayment or redemption date, the Obligations, or portions thereof, thus called shall not bear interest after the applicable prepayment or redemption date, shall no longer be protected by this Master Indenture and shall not be deemed to be outstanding under the provisions of this Master Indenture. The Master Trustee shall prepay or redeem, in the manner provided in this Article, such an aggregate principal amount of such Obligations of the series to be prepaid or redeemed at the principal amount thereof plus accrued interest to the prepayment or redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the written direction of the Obligated Group Agent, such funds may be invested in Escrow Obligations until needed for prepayment or redemption payout.

Section 303. Partial Prepayment or Redemption of Obligations. Upon surrender of any Obligation for prepayment or redemption in part only, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver to the holder thereof, at the expense of the Obligated Group, a new registered Obligation or Obligations of the same series and maturity of authorized denominations in aggregate principal amount equal to the unpaid portion of the Obligation surrendered. Such Member and the Master Trustee may agree with any holder of any Obligation that such holder may, in lieu of surrendering the same for a new registered Obligation, endorse on such Obligation a notice of such partial prepayment or redemption to be made on the following form which shall be typed or printed on the reverse side of such Obligation:

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Prepaid or Redeemed	Balance of Principal Amount Unpaid	Signature

Such partial prepayment or redemption shall be valid upon payment of the amount thereof to the registered owner of any such registered Obligation and the Obligated Group and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of such Obligation by the owner thereof and irrespective of any error or omission in such endorsement.

Section 304. Effect of Call for Prepayment or Redemption. On the date designated for prepayment or redemption by notice given as herein provided, the Obligations so called for prepayment or redemption shall become and be due and payable at the prepayment or redemption price provided for prepayment or redemption of such Obligations on such date. If on the date fixed for prepayment or redemption moneys for payment of the prepayment or redemption price and accrued interest are held by the Master Trustee or any other Paying Agent as provided herein, interest on such Obligations so called for prepayment or redemption shall cease to accrue, such Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Master Trustee or the Paying Agents and the amount of such Obligations so called for prepayment or redemption shall be deemed paid and no longer outstanding.

ARTICLE IV

GENERAL COVENANTS

Section 401. Payment of Principal, Premium, if any, and Interest. Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly and severally covenants that it will promptly pay the principal of, premium, if any, and interest on every Obligation issued under this Master Indenture at the place, on the dates and in the manner provided herein and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth herein or in the Obligations, each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time outstanding. If any Member does not tender payment of any installment of principal, premium or interest on any Obligation when due and payable, the Master Trustee shall provide prompt written notice of such nonpayment to such Member and the Obligated Group Agent.

Section 402. Performance of Covenants. Each Member covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Indenture and in each and every Obligation executed, authenticated and delivered hereunder and agrees to be jointly and severally liable with each other Member for such performance.

Section 403. Representations and Warranties by the Obligated Group. BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital each makes the following representations and warranties with respect to itself as the basis for its covenants herein:

(a) It is a not for profit corporation duly incorporated under the laws of the State of Florida, is in good standing and duly authorized to conduct its business and affairs in Florida, is duly authorized and has full power under the laws of Florida and all other applicable provisions of law and its articles of incorporation and by-laws to create, issue, enter into, execute and deliver this Master Indenture and the Series 2007 Obligation, and all action on its part necessary for the valid execution and delivery of this Master Indenture and the valid creation, issuance and delivery of the Series 2007 Obligation has been duly and effectively taken; and the Series 2007 Obligation in the hands of the holder thereof will be the legal and valid obligation of the Members of the Obligated Group.

(b) The execution and delivery of the Series 2007 Obligation and this Master Indenture, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon any of its Property except for Permitted Encumbrances. It has good and marketable fee simple title to all of its Property constituting real property and good and marketable title to all of its other Property, in all cases free and clear of all Liens except for Permitted Encumbrances. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments on adjoining real estate, if any, now existing with respect to its Property do not and will not materially adversely affect the value of the Property currently affected thereby, materially impair the same, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which it was acquired or is held by it. Its Property does not violate any applicable zoning, land use, environmental or similar law or restriction. The recitals of fact and statements contained in this Master Indenture and in each Related Loan Document with respect to it are or, in the case of Related Loan Documents entered into in the future, will be true.

(c) It has all necessary licenses and permits to occupy and operate its existing Facilities.

(d) It is a Tax-Exempt Organization; it has received determination letters from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization which letters are still in full force and effect; and it has no *"unrelated business taxable income"* as defined in Section 512 of the Code which could have a material adverse effect on its status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, would have a material adverse effect on its condition, financial or otherwise.

(e) It has not heretofore engaged in, and the consummation of the transactions herein provided for and compliance by it with the provisions of this Master Indenture and the Obligations issued hereunder will not involve, any prohibited transaction within the meaning of

the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as *"ERISA"*) or Section 4975 of the Code. Except as disclosed in the Official Statement, no *"employee pension benefit plans,"* as defined in ERISA (herein sometimes referred to as *"Plans"*), maintained by it and no trusts created thereunder, have incurred any *"accumulated funding deficiency"* as defined in Section 302 of ERISA and the present value of all benefits vested under all Plans did not exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

Section 404. Entrance Into the Obligated Group. Any Person may become a Member of the Obligated Group if:

(a) Such Person is a corporation or a limited liability company unless the opinion of Independent Counsel referred to in Subsection (d)(2) of this Section 404 specifically states that, in the opinion of such counsel, the rights and remedies contained in Article V hereof, as the same may be amended from time to time, are adequate to enforce the Master Indenture in accordance with its terms against such other entity, subject to the exceptions otherwise permitted in such Subsection (d)(2);

(b) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture acceptable to the Master Trustee which shall be executed by the Master Trustee and by or on behalf of each then current Member, containing (i) the agreement of such Person (A) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Indenture and (B) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof) to jointly and severally make payments upon each Obligation at the times and in the amounts provided in each such Obligation and (ii) representations and warranties by such Person substantially similar to those set forth in Section 403 other than those contained in Section 403(d) if such Person is not a Tax-Exempt Organization and except that any representation regarding incorporation and good standing shall refer to the actual state of incorporation of such person (but with such deviations as are acceptable to the Master Trustee);

(c) The Obligated Group Agent shall, by appropriate action of its Governing Body, have approved the admission of such Person to the Obligated Group and each of the Members shall have taken such action, if any, required to approve the admission of such Person to the Obligated Group;

(d) The Master Trustee shall have received (1) a certificate of the Obligated Group Agent which demonstrates that, immediately upon such Person becoming a Member of the Obligated Group (A) the Members would not, as a result of such transaction, be in default in the performance or observance of any covenant or condition to be performed or observed by them hereunder, and (B) the Obligated Group could meet the conditions described in Section 415(A) for the incurrence of one dollar of additional Funded Indebtedness, (2) an opinion of Independent Counsel to the effect that (x) the instrument described in paragraph (b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and

application of general principles of equity and to the exceptions set forth in Exhibit B hereto and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status, and (3) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee), to the effect that under then existing law the consummation of such transaction, whether or not contemplated on the date of delivery of any such Related Bond, would not adversely affect the validity of any Related Bond or any exemption from federal income taxation of interest payable on such Related Bond otherwise entitled to such exemption; provided that in making the calculation called for by subsection (d)(l)(B) above, (i) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs and (ii) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs; and

(e) Exhibit C is amended to add such Person as a Member.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above-described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status.

Section 405. Cessation of Status as a Member of the Obligated Group. Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to cease to be a Member of the Obligated Group unless:

(a) the Member proposing to withdraw from the Obligated Group is not a party to any Related Loan Documents with respect to Related Bonds which remain outstanding or another Member of the Obligated Group delivers an Obligation issued under the Master Indenture securing all of the obligations of such withdrawing Members under the Related Loan Documents on substantially the same terms as in effect before such withdrawing Member's withdrawal;

(b) prior to cessation of such status, there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(c) when it is assumed that such cessation results in a transfer of Property owned by the Member proposing to cease such status to a Person who is not a Member of the Obligated

Group, the conditions precedent to such a transfer to an unrelated entity set forth in Section 417(G) hereof have been complied with;

(d) prior to and immediately after such cessation, no event of default exists hereunder and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default;

(e) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status; and

(f) prior to cessation of such status, each Member of the Obligated Group consents in writing to the withdrawal by such Member.

Upon such cessation in accordance with the foregoing provisions, Exhibit C shall be amended to delete therefrom the name of such Person.

The foregoing notwithstanding, Baptist Hospital agrees that it will be a Member of the Obligated Group so long as the Series 2007 Obligation or any portion thereof remains outstanding within the meaning of this Master Indenture.

Section 406. Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest. Each Member hereby covenants to:

(a) Except as otherwise expressly provided or permitted herein (i) remain a Member throughout the remaining term of this Master Indenture subject to the provisions of Section 405 hereof permitting Members to cease such status, (ii) preserve its corporate or other separate legal existence, (iii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and (iv) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; provided, however, that nothing contained in this Master Indenture shall be construed to obligate such Member to retain, preserve or keep in effect the rights, licenses or qualifications no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(b) With respect to any Member which is, on the date it becomes a Member, a not for profit corporation, maintain its status under any relevant federal or state law as a not for profit corporation throughout the term of this Master Indenture.

(c) At all times use its Facilities only in furtherance of its lawful corporate purposes and cause its business to be carried on and conducted and its Property and each part thereof to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all necessary and proper repairs (interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen), renewals and replacements thereof so that its operations and business shall at all times be conducted in an efficient, proper and advantageous manner; provided, however, that

nothing herein contained shall be construed (i) to prevent it from ceasing to operate any portion of its Property, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body) it is advisable not to operate the same, or if it intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such sale or other disposition, or (ii) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(d) Pay or cause to be paid: (i) all taxes, levies, assessments and charges on account of the use, occupancy or operation of its Property, including but not limited to all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric, light, power or other utility charges assessed or charged on or against its Property or on account of its use or occupancy thereof or the activities conducted thereon or therein; and (ii) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed during the term of this Master Indenture upon all or any part of its Property, or its interest or the interest of any Related Issuer or either of them in and to its Property, or upon its interest or the interest of any Related Issuer or the interest of either of them in this Master Indenture or the amounts payable hereunder or under the Obligations. If under applicable law any such tax, levy, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, any Member may exercise such option.

(e) Not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

(f) At its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof which may be applicable to it or any of its affairs, business, operations and Property, any part thereof, any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults and vault spaces adjoining any of its Property or any part thereof or to the use or manner of use, occupancy or condition of any of its Property or any part thereof.

(g) Promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable which if not so paid, satisfied or discharged would constitute a default or an event of default under Section 502(d) hereof.

(h) At all times comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

(i) Procure and maintain all necessary licenses and permits and use its best efforts to maintain the status of its health care Facilities (other than those not currently having such status or not having such status on the date a Person becomes a Member hereunder) as providers of health care services eligible for payment under those third-party payment programs which its Governing Body determines are appropriate.

(j) In the case of the BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and any Member which is a Tax-Exempt Organization at the time it becomes a Member, so long as the Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, to take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

(k) Operate all of its Facilities so as not to discriminate on a legally impermissible basis.

(l) In the case of the BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and each Member which is a Tax-Exempt Organization at the time it becomes a Member, not distribute any of its revenues, income or profits, whether realized or unrealized, to any of its members, directors or officers or allow the same to inure to the benefit of any private person, association or corporation, other than for the lawful corporate purposes of such Member, as the case may be; provided, further, that no such distribution shall be made which is not permitted by the legislation pursuant to which such Member is governed or which would result in the loss or alteration of its status as a Tax-Exempt Organization.

The foregoing notwithstanding, any Member may (i) cease to be a not for profit corporation, (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization or (iii) distribute its revenues, income or profits to any of its members, directors or officers or allow the same to inure to the benefit of a private person, association or corporation if (1) prior thereto there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form and other aspects thereof, are acceptable to the Master Trustee) to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Member and (2) after such action the Obligated Group could meet the conditions described in Section 415(A) for the incurrence of one dollar of additional Funded Indebtedness.

No Member shall be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to herein above, to remove any Lien required to be removed under this Section, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than any Obligations), demands and claims against it or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation or requirement referred to in this Section, so long as such Member shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien

so contested, and the sale, forfeiture, or loss of its Property or any part thereof, provided, that no such contest shall subject any Related Issuer, any Obligation holder or the Master Trustee to the risk of any liability. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien being contested unless such Member agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Member will save all Related Issuers, all Related Bond Trustees, all Obligation holders and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. Each Member hereby waives, to the extent permitted by law, any right which it may have to contest (i) any Obligation issued for the benefit of another Member or (ii) any Obligation issued to secure or in connection with Related Bonds.

If the Master Trustee shall notify such Member that, in the opinion of Independent Counsel, by nonpayment of any of the foregoing items the Property of such Member or any substantial part thereof will be subject to imminent loss or forfeiture, then such Member shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

Section 407. Risk Management. The Obligated Group agrees to maintain a comprehensive risk management program. Pursuant to such program, the Obligated Group shall take such actions as the Obligated Group Agent determines, in its sole judgment, are prudent and appropriate to protect the Obligated Group's Property, the operation thereof and its business against the potential adverse financial effects of such casualties, contingencies and other risks as the Obligated Group Agent concludes are applicable to the Obligated Group's Property, the operation thereof and its business. Pursuant to such program, the Obligated Group Agent may elect not to obtain commercial insurance with respect to any particular risk and not to maintain any specifically identified cash reserves with respect thereto.

Section 408. Right to Perform Members' Covenants; Advances. In the event any Member shall fail to (i) pay any tax, charge, assessment or imposition to the extent required hereunder, (ii) remove any Lien or terminate any lease to the extent required hereunder, (iii) maintain its Property in repair to the extent required hereunder, (iv) procure the insurance required hereby, in the manner herein described, or (v) fail to make any other payment or perform any other act required to be performed hereunder, and is not contesting the same in accordance with Section 406 hereof, then and in each such case the Master Trustee may (but shall not be obligated to) remedy such failure for the account of such Member and make advances for that purpose. No such performance or advance shall operate to release such Member from any such failure and any sums so advanced by the Master Trustee shall be repayable by such Member on demand and shall bear interest at the Master Trustee's announced prime rate per annum from time to time in effect, from the date of the advance until repaid. The Master Trustee shall have the right of entry on such Member's Property or any portion thereof, in

order to effectuate the purposes of this Section, subject to the permission of a court of competent jurisdiction, if required by law.

Section 409. Rates and Charges. Each Member covenants and agrees to operate all of its Facilities on a revenue producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it hereunder to the extent permitted by law. Each Member further covenants and agrees that it will from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

The Members covenant and agree that they will cause the accountants certifying the report referred to in Section 414(B) hereof to calculate the Income Available for Debt Service of the Obligated Group for the Fiscal Year covered by such report and to calculate the Maximum Annual Debt Service Requirement of the Obligated Group and to deliver a copy of such calculation to the Persons to whom such report is required to be delivered under such Section 414.

If in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, the Obligated Group shall, at its expense, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Income Available for Debt Service to at least 110% of the Maximum Annual Debt Service Requirement of the Obligated Group.

A copy of the Consultant's report and recommendations, if any, shall be filed with each Member, the Master Trustee, each Related Bond Trustee and each Related Issuer. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined by the Governing Body of such Member and each Related Issuer) and permitted by law. This Section shall not be construed to prohibit any Member from serving indigent patients to the extent required for such Member to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section.

The foregoing provisions notwithstanding, if in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, the Obligated Group shall not be required to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a copy to each Related Bond Trustee and Related Issuer) a written report addressed to them of a Consultant (which Consultant and report, including without limitation the scope, form, substance and other aspects of such report, are acceptable to the Master Trustee) which contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year in

an amount sufficient to equal or exceed 110% of its Maximum Annual Debt Service Requirement and, unless waived by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Income Available for Debt Service of the Obligated Group for such Fiscal Year was at least 100% of the Maximum Annual Debt Service Requirement of the Obligated Group. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee, Related Bond Trustee and Related Issuer) an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Section 410. Damage or Destruction. Each Member agrees to notify the Master Trustee immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed $10,000,000.

In the event such Net Proceeds are less than or equal to $10,000,000, the Member suffering such casualty or loss may use such Net Proceeds in any manner it deems prudent and as is consistent herewith, with the Loan Agreement, including particularly Section 2.2 of the Loan Agreement. In the event such Net Proceeds exceed $10,000,000, the Member suffering such casualty or loss shall within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) Option A-Repair and Restoration. Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Master Trustee and such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement or acquisition or to the repayment of such Indebtedness. So long as the Members are not in default hereunder, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of:

(1) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such

replacement, repair, reconstruction, restoration, improvement or acquisition and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement or acquisition; and

(2) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request by an Independent Architect, if an Independent Architect has been hired in connection with such construction or renovation.

It is further understood and agreed that in the event such Member shall elect this Option A, such Member shall complete the replacement, repair, reconstruction, restoration, improvement and acquisition of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(b) Option B-Prepayment of Obligations. Subject to the obligations of the Members under Section 406 hereof, such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations.

(c) Option C-Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Obligations, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 410 and such Net Proceeds to be used for prepayment of Obligations shall be applied as set forth in subparagraph (b) of this Section.

The foregoing notwithstanding, no Member will be required to comply with this Section 410 to the extent that the Facilities damaged or destroyed were pledged as security for Non-Recourse Indebtedness incurred in accordance with Section 415(F) hereof or Indebtedness secured by Liens which comply with Section 418(ii) hereof and the documents pursuant to which such Indebtedness was incurred require Net Proceeds to be applied in a manner inconsistent with this Section 410.

Section 411. Condemnation. The Master Trustee shall cooperate fully with the Members in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an *"award"*), which exceeds $10,000,000.

In the event such Net Proceeds are less than or equal to $10,000,000, the Member suffering such casualty or loss may use such Net Proceeds in any manner it deems prudent, and as is consistent herewith, with the Loan Agreement, including particularly Section 2.2 of the Loan Agreement. In the event such Net Proceeds exceed the $10,000,000, the Member in question shall within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) Option A-Repairs and Improvements. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event, so long as the Obligated Group is not in default hereunder, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of:

(1) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, improvements and acquisitions and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repairs, improvements and acquisition; and

(2) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request by an Independent Architect, if an Independent Architect has been hired in connection with such construction or renovation.

(b) Option B-Prepayment of Obligations. Subject to the obligation of such Member under Section 406 hereof, such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations.

(c) Option C-Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 411 and such Net Proceeds to be used for prepayment of Obligations shall be applied as set forth in subparagraph (b) of this Section.

The foregoing notwithstanding, no Member will be required to comply with this Section 411 to the extent that the Facilities condemned were pledged as security for Non-Recourse Indebtedness incurred in accordance with Section 415(F) or Indebtedness secured by Liens in

accordance with Section 418(ii) hereof and the documents pursuant to which such Indebtedness was issued require Net Proceeds to be applied in a manner inconsistent with this Section 411.

Section 412. Other Provisions with Respect to Net Proceeds. Amounts received by the Master Trustee in respect of any awards shall, at the Written Request of the Obligated Group Agent, be deposited with the Master Trustee in a special trust account and be invested or reinvested by the Master Trustee in Permitted Investments subject to any Member's right to receive the same pursuant to Sections 410 and 411 hereof. If any Member elects to proceed under either Section 410(a) or (c) or 411(a) or (c), any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations. Notwithstanding anything herein to the contrary, the Obligated Group Agent shall not direct the investment of any moneys on deposit with the Master Trustee and the Master Trustee shall not knowingly invest any moneys on deposit under this Master Indenture except in accordance with, and subject to the terms of, any applicable agreements entered into in connection with any Related Bonds.

Section 413. Merger, Consolidation, Sale or Conveyance. (a) Each Member agrees that it will not merge into, or consolidate with, one or more corporations which are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(i) Any successor corporation to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Indenture to be kept and performed by such Member;

(ii) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Document or this Master Indenture;

(iii) Immediately after such merger or consolidation, or such sale or conveyance, the condition described in Section 418(ii)(a) would be met for the creation of a Lien on Property and the condition described in Section 415(A)(ii) or (iii) would be met for the incurrence of one dollar of additional Funded Indebtedness, assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation; and

(iv) If all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that under then existing

law the consummation of such merger, consolidation, sale or conveyance, whether or not contemplated on the original date of delivery of such Related Bonds, would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and the predecessor corporation shall be released from its obligations hereunder and under any Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation hereunder shall in all respects have the same legal rank and benefit under this Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(d) The Master Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Section and that it is proper for the Master Trustee under the provisions of Article VII and of this Section to join in the execution of any instrument required to be executed and delivered by this Section.

Section 414. Financial Statements, Etc. The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with generally accepted accounting principles in use in the United States consistently applied (i) except to the extent provided in the final paragraph of Article I hereof and (ii) except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (A) below. To the extent that generally accepted accounting principles in use in the United States would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 414 so long as: (a) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Master Trustee with the audited financial statements; (b) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Master Trustee and, in the opinion of the accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (c) such supplemental information is used for the purposes hereof or for any

agreement, document or certificate executed and delivered in connection or pursuant to this Master Indenture. The Members further covenant that they will furnish to the Master Trustee and any Related Bond Trustee:

(A) As soon as practicable after they are available, but in no event more than 150 days after the last day of each Fiscal Year, a financial report for such Fiscal Year certified by a firm of nationally recognized independent certified public accountants selected by the Obligated Group Agent covering the operations of the Obligated Group for such Fiscal Year and containing an audited combined balance sheet as of the end of such Fiscal Year, and an audited combined statement of changes in net assets for such Fiscal Year and an audited combined statement of revenues and expenses for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, and an unaudited combining balance sheet as of the end of such Fiscal Year and an unaudited combining statement of revenues and expenses for such Fiscal Year, together with a separate written statement of the accountants preparing such report containing a calculation of the Obligated Group's Historical Debt Service Coverage Ratio and Historical Maximum Annual Debt Service Coverage Ratio for said Fiscal Year and a statement that such accountants have obtained no knowledge of any default by any Member in the fulfillment of any of the terms, covenants, provisions or conditions of this Master Indenture, or if such accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof (but such accountants shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default).

(B) At the time of delivery of the financial report referred to in subsection (A) above, a certificate of the Obligated Group Agent signed by its President or any Vice President, stating that the Obligated Group Agent has made a review of the activities of each Member during the preceding Fiscal Year for the purpose of determining whether or not the Members have complied with all of the terms, provisions and conditions of this Master Indenture and that each Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Master Indenture on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, or if any Member shall be in default such certificate shall specify all such defaults and the nature thereof.

(C) Such additional information as the Master Trustee, or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee, or such Related Bond Trustee to determine whether the covenants, terms and provisions of this Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated and compensated by the Master Trustee (subject to reimbursement by the Obligated Group in accordance with Article VI hereof), or such Related Bond Trustee.

The Obligated Group Agent also agrees to provide copies of the information referred to in subsections (A) and (B) above to each Rating Agency then maintaining a rating on any Related Bonds or any Indebtedness of any Member.

The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Agent will file with the Master Trustee a copy of each Consultant's report or counsel's opinion required to be prepared under the terms of this Master Indenture.

Without limiting the foregoing each Member will permit, upon reasonable notice, the Master Trustee, any such Related Issuer or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and as often as the Master Trustee, such Related Issuer or such Related Bond Trustee may reasonably desire.

The Obligated Group Agent shall give prompt written notice of a change of accountants by the Obligated Group to the Master Trustee and each such Related Issuer and Related Bond Trustee. The notice shall state: (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Issuer, Related Bond Trustee or the Master Trustee may reasonably request.

Section 415. Permitted Additional Indebtedness. So long as any Obligations are outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than:

(A) Funded Indebtedness, if prior to incurrence thereof or, if such Funded Indebtedness was incurred in accordance with another subsection of this Section 415 and any Member wishes to have such Indebtedness classified as having been issued under this subsection (A), prior to such classification, there is delivered to the Master Trustee:

(i) An Officer's Certificate of the Obligated Group Agent in a form acceptable to the Master Trustee stating that the Funded Indebtedness Ratio of the Obligated Group, after giving effect to the incurrence of such Indebtedness and to the application of the proceeds thereof, does not exceed 0.70:1; or

(ii) an Officer's Certificate of the Obligated Group Agent in a form acceptable to the Master Trustee stating that the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.10:1, and attaching such combined financial statements; or

(iii) (a) An Officer's Certificate of the Obligated Group Agent (which certificate, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) stating that the Historical Maximum

Annual Debt Service Coverage Ratio of the Obligated Group for the Fiscal Year next preceding the incurrence of such Funded Indebtedness for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.20:1; and (b) (1) a written Consultant's report (which report, including without limitation the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee) to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the next two succeeding Fiscal Years or, if such Indebtedness is being incurred in connection with the financing of Facilities, the two Fiscal Years succeeding the projected completion date of such Facilities, is not less than 1.20:1, or (2) an Officer's Certificate from the Obligated Group Agent in a form acceptable to the Master Trustee to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the next two succeeding Fiscal Years or, if such Indebtedness is being incurred in connection with the financing of Facilities, the two Fiscal Years succeeding the projected completion date of such Facilities, is not less than 1.35:1, provided that either of such reports shall include forecast balance sheets, statements of revenues and expenses and statements of changes in financial position for each of such two Fiscal Years and a statement of the relevant assumptions upon which such forecasted statements are based, which financial statements must indicate that sufficient revenues and cash flow could be generated to pay the operating expenses of the Obligated Group's proposed and existing Facilities and the debt service on the Obligated Group's other existing Indebtedness during such two Fiscal Years; provided that the requirements of the foregoing subsection (iii)(a) or (b), as the case may be, shall be deemed satisfied if (x) there is delivered to the Master Trustee the report of a Consultant (which report, including without limitation the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee and which contains the information required by the proviso to subsection (iii)(b) in the case of projections) which contains an opinion of such Consultant that applicable laws or regulations have prevented or will prevent the Obligated Group from generating the amount of Income Available for Debt Service required to be generated by subsection (iii)(a) or (b), as the case may be, as a prerequisite to the issuance of Funded Indebtedness, and, unless waived by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant, (y) the report of the Consultant indicates that the rates charged or to be charged by the Obligated Group are or will be such that, in the opinion of such Consultant, the Obligated Group has generated or will generate the maximum amount of Revenues reasonably practicable given such laws or regulations, and (z) the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group and the Projected Debt Service Coverage Ratio of the Obligated Group referred to in the applicable subsection are at least 1.00:1.

(B) Completion Funded Indebtedness if there is delivered to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Indebtedness is being issued stating that at the time the original Funded Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Funded Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an

Independent Architect or an expert acceptable to the Master Trustee setting forth the amount estimated to be needed to complete the Facilities, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Funded Indebtedness to be applied to the completion of the Facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit) and federal or state grants reasonably expected to be available, will be in an amount not less than the amount set forth in the statement of an Independent Architect or other expert, as the case may be, referred to in subsection (ii).

(C) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise, including without limitation refunding through the issuance of Cross-over Refunding Indebtedness) any outstanding Funded Indebtedness if prior to the incurrence thereof an Officer's Certificate of a Member is delivered to the Master Trustee stating that, taking into account the issuance of the proposed Funded Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 15%.

(D) Short-Term Indebtedness (other than Short-Term Indebtedness incurred in accordance with subsection (E) hereof) in a total principal amount which at the time incurred does not, together with the principal amount of all other such Short-Term Indebtedness of the Obligated Group then outstanding under this subsection (D) and the principal payable on all Funded Indebtedness during the next succeeding 12 months, excluding such principal to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increments to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal, exceed 20% of the Net Patient Revenues of the Obligated Group for the most recent Fiscal Year for which combined financial statements reported upon by independent certified public accountants are available; provided, however, that for a period of 30 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Indebtedness of the Obligated Group outstanding under this subsection (D) shall be not more than 5% of the Net Patient Revenues of the Obligated Group during such Fiscal Year plus such additional amount as the Obligated Group Agent certifies in an Officer's Certificate is (a) attributable to Short-Term Indebtedness incurred to offset a temporary delay in the receipt of funds due from third party payors, (b) in the minimum amount reasonably practicable taking into account such delay, provided that the Obligated Group Agent in addition certifies that Short-Term Indebtedness has not been incurred during the current or prior four Fiscal Years to offset a temporary delay in the receipt of funds due from third party payors. For the purposes of this subsection, Short-Term Indebtedness shall not include overdrafts to banks to the extent there are immediately available funds of the Obligated Group sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business.

(E) Short-Term Indebtedness if:

(i) There is in effect at the time the Short-Term Indebtedness provided for by this subsection (E) is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies, by a financial institution generally regarded as responsible to provide financing sufficient to pay such Short-Term Indebtedness at its maturity and, unless waived by the Master Trustee, the Obligated Group Agent shall provide the Master Trustee with an opinion of Independent Counsel for such financial institution (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that such binding commitment is valid and enforceable in accordance with its terms, subject only to customary exceptions for bankruptcy, creditors' rights, equitable remedies and similar matters; and

(ii) The conditions described in subsection (A) are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Funded Indebtedness maturing over 30 years from the date of issuance of the Short-Term Indebtedness, bears interest on the unpaid principal balance at the Projected Rate and is payable on a level annual debt service basis over a 30-year period.

(F) Non-Recourse Indebtedness.

(G) Balloon Indebtedness if:

(i) (a) there is in effect at the time such Balloon Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Balloon Indebtedness coming due in each consecutive 12 month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes due and, unless waived by the Master Trustee, the Obligated Group Agent shall provide the Master Trustee with an opinion of Independent Counsel for the financial institution (which Counsel and opinion, including without imitation the scope form, substance and the aspects thereof, are acceptable to the Master Trustee) to the effect that such binding commitment is valid and enforceable in accordance with its terms, subject only to customary exceptions for bankruptcy, creditors' rights, equitable remedies and similar exceptions; and (b) the conditions set forth in subsection (A) are met with respect to such Balloon Indebtedness when it is assumed that the portion of such Balloon Indebtedness becoming due during each such 12 month period matures over 30 years from the commencement of such period, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a 30-year period; or

(ii) (a) a Member establishes in an Officer's Certificate filed with the Master Trustee an amortization schedule for such Balloon Indebtedness, which amortization schedule shall provide for payments of principal and interest for each Fiscal Year that are not less than the amounts required to make any actual payments required to be made in such Fiscal Year by the terms of such Balloon Indebtedness; (b) such Member

agrees in such Officer's Certificate to deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company, which agreement shall be accompanied, unless waived by the Master Trustee, an opinion of Independent Counsel for the bank or trust company (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that such agreement is valid and enforceable in accordance with its terms, subject only to customary exceptions for bankruptcy, creditors' rights, equitable remedies and similar exceptions) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Balloon Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company) which deposit shall be made prior to any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments; and (c) the conditions described in subsection (A) above are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness is actually payable in accordance with such amortization schedule; or

(iii) the conditions described in subsection (A) above are met with respect to such Balloon Indebtedness when it is assumed that the portion of such Balloon Indebtedness coming due in each consecutive 12 month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes due matures over 30 years from the commencement of such period, bears interest at the Projected Rate and is payable on a level annual debt service basis over a 30-year period.

(H) Put Indebtedness if the conditions set forth in subsection (A) above are met with respect to such Put Indebtedness when it is assumed that such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a 30-year period commencing with the next succeeding Put Date.

(I) Guaranties by any Member of the payment by another Person of a sum certain; provided that the conditions set forth herein are satisfied if it is assumed that the Indebtedness guaranteed is Indebtedness of such Member. In making the calculation required by this subsection (I) the Obligated Group's Income Available for Debt Service shall not be deemed to include any Revenues of the Primary Obligor and the debt service payable with respect to the Indebtedness guaranteed shall be calculated in accordance with the assumptions contained in this Master Indenture.

(J) Liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under this Master Indenture.

(K) Commitment Indebtedness.

(L) Indebtedness consisting of accounts payable incurred in the ordinary course of business or other Indebtedness not incurred or assumed primarily to assure the repayment of money borrowed or credit extended which Indebtedness is incurred in the ordinary course of business.

(M) Indebtedness the principal amount of which at the time incurred, together with the aggregate principal amount of all other Indebtedness then outstanding which was issued pursuant to the provisions of this subsection (M) and which has not been subsequently reclassified as having been issued under subsection (A), (E), (G) or (H), does not exceed 30% of the Net Patient Revenues of the Obligated Group for the latest preceding Fiscal Year for which combined financial statements reported upon by independent certified public accountants are available.

(N) Indebtedness incurred in connection with a sale of accounts receivable with or without recourse by any Member consisting of an obligation to repurchase all or a portion of such accounts receivable upon certain conditions, provided that the principal amount of such Indebtedness permitted hereby shall not exceed the aggregate amount of such accounts receivable so sold by such Member; and provided further that any Liens created as a result of such a sale must be Permitted Encumbrances.

(O) Subordinated Indebtedness.

It is agreed and understood by the parties hereto that various types of Indebtedness may be incurred under any of the above-referenced subsections with respect to which the tests set forth in such subsection are met and need not be incurred under only a subsection specifically referring to such type of Indebtedness (e.g., Balloon Indebtedness and Put Indebtedness may be incurred under subsection (A) above if the tests therein are satisfied).

Each Member covenants that Indebtedness of the type permitted to be incurred under subsection (L) above will not be allowed to become overdue for a period in excess of that which is ordinary for similar institutions without being contested in good faith and by appropriate proceedings.

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, after the date of issuance of the Series 2007 Obligation, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section 415 pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness; provided, however, that this requirement shall not apply to Indebtedness incurred pursuant to subsection (J) or (L) of this Section 415.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed or credit extended to entities other than Related Issuers, sellers of real or personal property for purchase money debt, lessors of such property or banks or other institutional lenders, it will provide the Master Trustee with an opinion of Independent Counsel acceptable to the Master Trustee to the effect that, to such Counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the issuance of securities in connection with the incurrence of such Additional Indebtedness (including the issuance of any securities or other evidences of indebtedness in connection therewith) and such Counsel has no reason to believe that a right of rescission under such laws exists on the part of the entities to which such Additional Indebtedness is to be incurred.

Section 416. Calculation of Debt Service and Debt Service Coverage. The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of this Master Indenture shall be made in a manner consistent with that adopted in Section 415 and in this Section 416. In the case of Balloon or Put Indebtedness issued pursuant to subsection (B), (G), (H) or (M) of Section 415 hereof, unless such Indebtedness is reclassified pursuant to this Section 416 as having been issued pursuant to another subsection of Section 415, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the holder to require that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date (other than at the option of such holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of this Master Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the *"Determination Period"*) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the greater of (i) the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) on such Indebtedness during the twelve consecutive calendar months immediately preceding the month in which such calculation is made or if such Indebtedness has been outstanding for less than twelve months, during the months in which such Indebtedness has been outstanding preceding the month in which such calculation is made or (ii) the rate in effect on such Indebtedness on the date of determination.

Obligations issued to secure Indebtedness permitted to be incurred under Section 415 shall not be treated as Additional Indebtedness.

No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. In addition, no Additional Indebtedness shall be deemed to arise when Indebtedness which bears interest at a variable rate of interest is converted to Indebtedness which bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed or the terms upon which Indebtedness, if Put Indebtedness, may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such

variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change.

Balloon Indebtedness incurred as provided under subsection (B) or (M) of Section 415, unless reclassified pursuant to this Section 416, shall be deemed to be payable in accordance with the assumptions set forth in subsection (G)(iii) of Section 415. Put Indebtedness incurred as provided under subsection (B) or (M) of Section 415, unless reclassified pursuant to this Section 416, shall be deemed to be payable in accordance with the assumptions set forth in subsection (H) of Section 415.

Except for the purpose of determining whether any particular Guaranty may be incurred in which case it shall be assumed that 100% of the Indebtedness guaranteed is Indebtedness of the guarantor under such Guaranty and except for the purpose of calculating any historical Debt Service Requirements in which case the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; provided, however, if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed. For the purposes of the various calculations required under this Master Indenture, the Capitalized Rentals under a Capitalized Lease at the time of such calculation shall be deemed to be the principal payable thereon.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 415, including without limitation subsection (M) of Section 415, reclassified as having been incurred under another provision of Section 415, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected Rate. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

Anything in the Master Indenture to the contrary notwithstanding, any portion of any Indebtedness of any Member, with respect to which such Member states in an Officer's Certificate delivered to the Master Trustee a Financial Product Agreement has been obtained, shall be deemed to bear interest for the period of time that such Financial Product Agreement is in effect at a net rate which takes into account the interest payments made by the Member on such Indebtedness and the payments made or received by the Member or another Member on such Financial Product Agreement; provided that the long-term credit rating of the provider of such Financial Product Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. If the effect of such a Financial Product Agreement is to convert Indebtedness to a synthetic variable rate, the amount payable under such Financial Product Agreement shall be calculated as provided in the second paragraph of this Section 416 for variable rate Indebtedness. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account a Financial Product Agreement, any payments made by a Member on such Financial Product Agreement

shall be excluded from Expenses and any payments received by a Member on such Interest Rate Agreement shall be excluded from Revenues, in each case, for all purposes of the Master Indenture.

Section 417. Sale, Lease or Other Disposition of Property. Each Member agrees that it will not, in any consecutive 12-month period, sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property which, together with all other Property transferred by Members in transactions other than those described in subsections (A) through (G) hereof, totals for such 12-month period in excess of 10% of the total value of the Property of the Obligated Group (calculated on the basis of the Book Value of the assets shown on the assets side of the balance sheet in the combined financial statements of the Obligated Group for the Fiscal Year next preceding the date of such sale, lease or other disposition for which combined financial statements of the Obligated Group reported on by independent certified public accountants are available or, if the Obligated Group Agent so elects, on the basis of Current Value), except for transfers or other dispositions in the ordinary course of business and except for transfers or other dispositions of Property:

(A) In return for other Property (other than cash) of equal or greater value and usefulness;

(B) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(C) To another Member;

(D) Upon fair and reasonable terms no less favorable to the Member than would obtain in a comparable arm's-length transaction;

(E) To any Person, if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations;

(F) Pursuant to Section 424 hereof, where the Property subject to such transfer consists solely of cash; and

(G) To any Person upon delivery to the Master Trustee of: (i) an Officer's Certificate of a Member (accompanied by the independent certified public accountant's reports mentioned below) certifying that during the Fiscal Year immediately preceding the proposed disposition for which financial statements have been reported upon by independent certified public accountants, the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking into account such disposition, would not have been reduced by more than 35% and would not have been reduced to less than 1.10:1, (ii) an Officer's Certificate of a Member stating that the Projected Debt Service Coverage

Ratio of the Obligated Group for each of the two full Fiscal Years immediately following the date of such report, taking into account such disposition, (a) would not be reduced more than 35% from the Projected Debt Service Coverage Ratio of the Obligated Group which would have been estimated or forecasted if it were assumed such disposition would not occur and (b) would not be reduced to less than 1.50:1, or (iii) a written report from a Consultant stating that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the two full Fiscal Years immediately following the date of such report, taking into account such disposition, (a) would not be reduced more than 35% from the Projected Debt Service Coverage Ratio of the Obligated Group which would have been estimated or forecasted if it were assumed such disposition would not occur and (b) would not be reduced to less than 1.20:1.

The foregoing provisions of this Section notwithstanding, each Member further agrees that it will not sell, lease, donate or otherwise dispose of Property (a) which could reasonably be expected at the time of such sale, lease, donation or disposition to result in a reduction of the Income Available for Debt Service of the Obligated Group such that the Obligated Group would be required to retain a Consultant pursuant to Section 409 hereof, or (b) if a Consultant has been retained in the circumstances described in Section 409 hereof, such action, in the opinion of such Consultant, will have an adverse effect on the Income Available for Debt Service of the Obligated Group. The parties hereto agree that the rendering of any service, the making of any loan, the extension of any credit or any other transaction, with any Affiliate except pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's-length transaction with a person not an Affiliate is and shall be subject to, and shall be permitted only if there is compliance with, the provisions of this Section.

Section 418. Liens on Property. Section 406(e) notwithstanding, a Lien on Property of any Member securing Indebtedness shall be classified a Permitted Encumbrance (as provided in clause (d) of the definition thereof) and therefore be permitted if:

(i) such Lien secures Non-Recourse Indebtedness; or

(ii) (a) after giving effect to such Lien and all other Liens classified as Permitted Encumbrances under this subsection (ii)(a), the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property of the Obligated Group which is Encumbered is not more than 20% of the value of all of the Property of the Obligated Group (calculated on the same basis as the value of the Encumbered Property) and (b) the conditions described in Section 415(A) are met for allowing the incurrence of one dollar of additional Funded Indebtedness.

Section 419. Right to Consent, Etc. Each Member shall have the right to agree in any Related Bond Indenture, Related Loan Document or Supplemental Master Indenture pursuant to which an Obligation is issued that, so long as any Related Bonds remain outstanding under such Related Bond Indenture or such Obligation remains outstanding, any or all provisions of this Master Indenture which provide for approval, consent, direction or appointment by the Master Trustee, provide that anything must be satisfactory or acceptable to the Master Trustee, allow the Master Trustee to request anything or contain similar provisions granting discretion to the Master

Trustee shall be deemed to also require or allow, as the case may be, the approval, consent, appointment, satisfaction, acceptance, request or like exercise of discretion by the Related Issuer, or the Related Bond Trustee, or any one thereof, and that all items required to be delivered or addressed to the Master Trustee hereunder shall also be delivered or addressed to the Related Issuer and the Related Bond Trustee, or any one thereof, unless waived thereby. If a Member enters into any such agreements in a Related Bond Indenture, Related Loan Document or Supplemental Master Indenture, such agreements shall be deemed to be included herein as if set forth herein and such Member shall cause notice of such agreement to be sent to the Master Trustee.

Section 420. List of Obligation Holders. The Master Trustee will keep on file at its office a list of the names and addresses of the last known holders of all Obligations and the serial numbers of such Obligations held by each of such holders. At reasonable times and under reasonable regulations established by the Master Trustee, said list may be inspected and copied by any Member, any Obligation holder or the authorized representative thereof, provided that the ownership of such holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 421. Designation of Additional Paying Agents. The Obligated Group Agent may, in its discretion, cause the necessary arrangements to be made through the Master Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of such of the Obligations as shall be presented when due at the principal office of the Master Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 422. Further Assurances; Additional Property. (a) The Members will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers and assurances as the Master Trustee reasonably may require for the better assuring, assigning and confirming unto the Master Trustee, its successors and assigns, all and singular the trust estate.

(b) All right, title and interest of the Members in and to all improvements, betterments, renewals, substitutions and replacements of the Property constituting the *"trust estate"* or any part thereof, hereafter acquired by a Member, immediately upon such acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the *"trust estate"* and shall be subject, if applicable to Property of such type, to the security interest of this Master Indenture and/or any subsequently created liens and security interest securing the Obligations as fully and completely and with the same effect as though owned by the Members at the time this Master Indenture was executed or any and all such other liens and security interests were created, but at any and all times the Members will execute and deliver to the Master Trustee any and all such further assurances, mortgages, conveyances or assignments thereof and other instruments with respect thereto as the Master Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the security interest of the Master Indenture or such other subsequently created liens and security interests.

Section 423. Indemnity. Each Member will pay, and will protect, indemnify and save the Master Trustee harmless from and against any and all liabilities, losses, damages, costs and

expenses (including attorneys' fees, including in connection with any appeal, and expenses of such Member and the Master Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to Property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(1) the use, non-use, condition or occupancy of any of the Property of any Member, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any of such Property including adjoining sidewalks, streets or alleys and any equipment or Facilities at any time located on such Property or used in connection therewith but which are not the result of the negligence of the Master Trustee;

(2) violation of any agreement, warranty, covenant or condition of this Master Indenture, except by the Master Trustee;

(3) violation of any contract, agreement or restriction by any Member relating to its Property;

(4) violation of any law, ordinance, regulation or court order affecting any Property of any Member or the ownership, occupancy or use thereof; and

(5) any statement or information concerning any Member or its officers and members or its Property, contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Obligations or any Related Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning any Member, its officers and members and its Property not misleading in any material respect, provided that the official statement or other offering document has been approved by a Member of the Obligated Group and the indemnified party did not have knowledge of the omission or misstatement or did not use the official statement or other offering document with reckless disregard of or gross negligence in regard to the accuracy or completeness of the official statement or other offering document.

Such indemnity shall extend to each person, if any, who *"controls"* the Master Trustee as that term is defined in Section 15 of the Securities Act of 1933, as amended. The respective obligations of the Members under this Section 423 to indemnify and hold harmless the Master Trustee shall survive satisfaction and discharge of this Master Indenture.

In the event of settlement of any litigation commenced or threatened, such indemnity shall be limited to the aggregate amount paid under a settlement effected with the written consent of the Obligated Group Agent plus attorneys' fees and costs and other expenses of the Master Trustee in connection with such litigation.

The Master Trustee shall promptly notify the Obligated Group Agent in writing of any claim or action brought against the Master Trustee or any controlling person, as the case may be, in respect of which indemnity may be sought against any Member, setting forth the particulars of such claim or action, and the Obligated Group will assume the defense thereof (including at the appellate level), including the employment of counsel satisfactory to the Master Trustee or such controlling person, as the case may be, and the payment of all expenses. The Master Trustee or any such controlling person, as the case may be, may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Obligated Group unless such employment has been specifically authorized by the Obligated Group Agent or unless the Obligated Group Agent fails to provide counsel satisfactory to the Master Trustee.

Section 424. Dividends and Stock Purchases. If at any time any Member shall have outstanding any capital stock, such Member will not (i) declare or pay any dividends, either in cash or Property, on any shares of such stock (except dividends or other distributions payable solely in shares of such stock), (ii) directly or indirectly purchase, redeem or retire any shares of such stock or any warrants, rights or options to purchase or acquire any shares of such stock, or (iii) make any other payment or distribution, either directly or indirectly, in respect of such stock, which dividend, purchase, redemption, retirement, payment or other distribution, when aggregated with all other such dividends, purchases, redemptions, retirements, payments or distributions made by all Members of the Obligated Group after December 31, 2006, would exceed 50% of Cumulative Net Income Available for Dividends of the Obligated Group.

A Member will not declare any dividend payable more than 60 days after the date of declaration thereof.

For the purposes of this Section 424, the amount of any dividend or distribution declared, paid or distributed in Property shall be deemed to be the greater of the Book Value or the Current Value of such Property at the time of the making of such dividend or distribution.

The foregoing notwithstanding, any dividend or distribution paid by one Member to any other Member shall not be subject to the restrictions of this Section 424.

Section 425. Maintenance; Recording. So long as any Obligation is outstanding, the Members of the Obligated Group will file, continue, and amend all financing statements describing, and creating a security interest in, the Unrestricted Receivables. No Member of the Obligated Group shall make or suffer to exist any pledge or assignment of, lien on, or security interest in the Unrestricted Receivables that ranks prior to or on a parity with the lien and security interest granted by this Master Indenture, other than Permitted Encumbrances, or file any financing statement describing any such security interest, except for Permitted Encumbrances and except as expressly permitted by this Master Indenture.

ARTICLE V

REMEDIES

Section 501. Extension of Payment; Penalty. In case the time for the payment of principal of or the interest on any Obligation shall be extended, whether or not such extension be by or with the consent of the Master Trustee, such principal or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture except subject to the prior payment in full of the principal of all Obligations then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Section 502. Events of Default. Each of the following events is hereby declared an *"event of default"*:

(a) failure of the Obligated Group to pay any installment of interest or principal, or any premium, on any Obligation when the same shall become due and payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise and the continuance of such failure for five days; or

(b) failure of any Member to comply with, observe or perform any of the covenants, conditions, agreements or provisions hereof and to remedy such default within 30 days after written notice thereof to such Member and the Obligated Group Agent from the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; provided, that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default hereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by any Member herein or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation in connection with the sale of any Obligation or furnished by any Member pursuant hereto proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 30 days after written notice thereof to the Obligated Group Agent by the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; or

(d) default in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money (other than Non-Recourse Indebtedness) of any Member, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due, or an event of default as defined in any mortgage, indenture, loan agreement or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness (including any Obligation) of any Member, and which default in payment or event of default entitles the holder thereof to declare or, in the case of any Obligation, to request that the Master Trustee declare, such Indebtedness due and payable prior to the date on which it would otherwise become due and payable; provided, however, that if

such Indebtedness is not evidenced by an Obligation or issued, incurred or secured by or under a Related Loan Document, a default in payment thereunder shall not constitute an *"event of default"* hereunder unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds 1% of the net assets of the Obligated Group as shown on or derived from the then latest available audited combined financial statements of the Obligated Group; or

(e) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 30 days; provided, however, that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds 1% of the net assets of the Obligated Group as shown on or derived from the then latest available audited combined financial statements of the Obligated Group; or

(f) any Member admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for such Member, or for the major part of its Property; or

(g) a trustee, custodian or receiver is appointed for any Member or for the major part of its Property and is not discharged within 30 days after such appointment; or

(h) bankruptcy, dissolution, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against any Member (other than bankruptcy proceedings instituted by any Member against third parties), and if instituted against any Member are allowed against such Member or are consented to or are not dismissed, stayed or otherwise nullified within 60 days after such institution; or

(i) payment of any installment of interest or principal, or any premium, on any Related Bond shall not be made when the same shall become due and payable under the provisions of any Related Bond Indenture.

Section 503. Acceleration. If an event of default has occurred and is continuing, the Master Trustee may, and if requested by either the holders of not less than 25% in aggregate principal amount of outstanding Obligations or the holder of any Accelerable Instrument under which Accelerable Instrument an event of default exists (which event of default permits the holder thereof to request that the Master Trustee declare such Indebtedness evidenced by an Obligation due and payable prior to the date on which it would otherwise become due and payable), shall, by notice in writing delivered to the Obligated Group Agent, declare the entire principal amount of all Obligations then outstanding hereunder and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become

immediately due and payable, subject, however, to the provisions of Section 511 hereof with respect to waivers of events of default.

Section 504. Remedies; Rights of Obligation Holders. Upon the occurrence of any event of default hereunder, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations outstanding hereunder and any other sums due hereunder and may collect such sums in the manner provided by law out of the Property of any Member wherever situated.

If an event of default shall have occurred, and if it shall have been requested so to do by either the holders of 25% or more in aggregate principal amount of Obligations outstanding or the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations and if it shall have been indemnified as provided in Section 601(k) hereof, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; provided, however, that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of this Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the holders of Obligations hereunder now or hereafter existing at law or in equity or by statute.

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

No waiver of any default or event of default hereunder, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 505. Direction of Proceedings by Holders. The holders of a majority in aggregate principal amount of the Obligations then outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 503 hereof and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of a majority in aggregate principal amount of the Obligations then outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance

with the provisions of law and of this Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction. Pending such direction from the holders of a majority in aggregate principal amount of the Obligations outstanding, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations.

The foregoing notwithstanding, the holders of a majority in aggregate principal amount of the Obligations then outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture.

Section 506. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Obligations under this Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 507. Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows:

(a) Unless the principal of all the Obligations shall have become or shall have been declared due and payable, all such moneys shall be applied:

> FIRST: To the payment to the persons entitled thereto of all installments of interest then due on the Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Obligations which shall have become due (other than Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Obligations due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment to the persons entitled thereto of all unpaid principal and interest on Obligations, payment of which was extended by such persons as described in Section 501 hereof.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege; provided that no amount shall be paid to any Obligation holder who has extended the time for payment of either principal or interest as described in Section 501 until all other principal, premium, if any, and interest owing on Obligations has been paid; and

(c) If the principal of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this Section 507 and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be

entitled thereto, then the balance shall be paid to the Obligated Group Agent on behalf of the Members.

Section 508. Remedies Vested in Master Trustee. All rights of action including the right to file proof of claims under this Master Indenture or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Obligations, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Obligations.

Section 509. Rights and Remedies of Obligation Holders. No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an event of default and (a) the holders of 25% or more in aggregate principal amount (i) of the Obligations which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 503 hereof and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Obligations then outstanding in the case of any other exercise of power or (b) the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as provided in Section 601(k), and unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Obligations outstanding. Nothing in this Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of the Members to pay the principal, premium, if any, and interest on each of the Obligations issued hereunder to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed.

Section 510. Termination of Proceedings. In case the Master Trustee shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case the Members

and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the Property pledged and assigned hereunder, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Section 511. Waiver of Events of Default. If, at any time after the principal of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided and before the acceleration of any Related Bond, any Member shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under this Master Indenture, other than the nonpayment of principal of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case the holders of a majority in aggregate principal amount of all Obligations then outstanding and the holder of each Accelerable Instrument who requested the giving of notice of acceleration, by written notice to the Obligated Group Agent and to the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon.

Section 512. Members' Rights of Possession and Use of Property. So long as each Member is in full compliance with the terms and provisions of this Master Indenture, each Member shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

Section 513. Related Bond Trustee or Bondholders Deemed To Be Obligation Holders. For the purposes of this Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture and, in either case, notice thereof is given to the Master Trustee, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds shall be deemed the holders of the Obligations to the extent of the principal amount of the Obligations to which their Bonds relate. In addition, each Related Issuer is entitled to exercise the rights granted to Obligation holders under Section 502(d) and Section 503.

ARTICLE VI

THE MASTER TRUSTEE

Section 601. Acceptance of the Trusts. The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions set forth herein. The Master Trustee, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform

such duties and only such duties as are specifically set forth in this Master Indenture and to perform such duties as an ordinarily prudent trustee under a corporate mortgage, and no implied covenants or obligations should be read into this Master Indenture against the Master Trustee. If an event of default under this Master Indenture shall have occurred and be continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs. The Master Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Master Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Master Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by any Member, approved by the Master Trustee in the exercise of such care. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Master Trustee shall not be responsible for any recital herein, or in the Obligations (except with respect to the certificate of the Master Trustee endorsed on the Obligations), or for the investment of moneys as herein provided (provided that no investment shall be made by the Master Trustee except in compliance with the provisions of this Master Trustee applicable to such investment), or for the recording or re-recording, filing or re-filing of this Master Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Members of the Obligated Group of this Master Indenture, or by any Member of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or for the value or title of the Property herein conveyed or otherwise as to the maintenance of the security hereof. The Master Trustee may (but shall be under no duty to) require of any Member full information and advice as to the performance of the covenants, conditions and agreements in this Master Indenture and shall use its best efforts, but without any obligation, to advise the Members of any impending default known to the Master Trustee. The Master Trustee shall have no obligation to perform any of the duties of the Obligated Group hereunder.

(c) The Master Trustee shall not be accountable for the use or application by the Obligated Group of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent. The Master Trustee may become the owner of Obligations secured hereby with the same rights it would have if it were not Master Trustee.

(d) The Master Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be

genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Master Trustee pursuant to this Master Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Obligation shall be conclusive and binding upon all future owners of the same Obligation and upon Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to rely upon a certificate signed on behalf of any Member by its President, any Vice-President, its Secretary or its Secretary as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Master Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a certificate of the President, any Vice President or Secretary of any Member under its seal to the effect that a resolution in the form therein set forth has been adopted by such Member as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful default.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Obligated Group to cause to be made any of the payments to the Master Trustee required to be made by Section 202 or Section 401 unless the Master Trustee shall be specifically notified in writing of such default by a Member, by the written report of nationally recognized independent certified public accountants required by Section 414(B), by any Related Issuer, by any Related Bond Trustee, by the owner of an Accelerable Instrument or by the holders of at least 25% in aggregate principal amount of all Obligations then outstanding and all notices or other instruments required by this Master Indenture to be delivered to the Master Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Master Trustee, and in the absence of such notice so delivered, the Master Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times, the Master Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of any Member pertaining to the Obligations, and to take such memoranda from and in regard thereto as may be reasonably desired.

(i) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything contained elsewhere in this Master Indenture, the Master Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Obligation, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Indenture, any showings, certificates,

opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Master Trustee deemed desirable for the purpose of establishing the right of any Member to the authentication of any Obligations, the withdrawal of any cash, the release of any property or the taking of any other action by the Master Trustee.

(k) Before taking any action under this Master Indenture other than providing for the payments of principal and interest on the Obligations to the holders thereof as they become due or causing an acceleration of the Obligations when required hereby, the Master Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(l) All moneys received by the Master Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Master Indenture. Neither the Master Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(m) No provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(n) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 602. Fees, Charges and Expenses of Master Trustee and any Additional Paying Agent. The Master Trustee shall be entitled to payment and/or reimbursement for reasonable fees and for its services rendered hereunder and all advances, counsel fees (including in connection with any appeal) and other expenses reasonably and necessarily made or incurred by the Master Trustee in connection with such services. The Master Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Master Trustee as Paying Agent and Obligation Registrar for the Obligations as hereinabove provided. Any additional Paying Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as additional Paying Agent for the Obligations. Upon an event of default, but only upon an event of default, the Master Trustee and any additional Paying Agent shall have a right of payment from any funds it receives hereunder prior to payment on account of principal of, or premium, if any, or interest on any Obligation for the foregoing advances, fees, costs and expenses incurred, and may, without further authorization, use such funds for such purposes. The respective obligations of the Members under this Section 602 to compensate the Master Trustee to pay or reimburse the Master Trustee for expenses, disbursements or advances, shall survive satisfaction and discharge of this Master Indenture.

Section 603. Notice to Obligation Holders if Default Occurs. If a default occurs of which the Master Trustee is by subsection (g) of Section 601 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Master Trustee shall give written notice thereof by mail to the last known owners of all Obligations then outstanding shown by the list of Obligation holders required by the terms of this Master Indenture to be kept at the office of the Master Trustee.

Section 604. Intervention by Master Trustee. In any judicial proceeding to which any Member is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of owners of the Obligations, the Master Trustee may intervene on behalf of Obligation holders and, subject to the provisions of Section 601(k), shall do so if requested in writing by the owner of an Accelerable Instrument or the owners of at least 25% in aggregate principal amount of all Obligations then outstanding. The rights and obligations of the Master Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 605. Successor Master Trustee. Any corporation or association into which the Master Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Master Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of and of the parties hereto, anything herein to the contrary notwithstanding.

Section 606. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a bank or trust company organized under the laws of the United State of America or any state thereof, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and (except for the Master Trustee initially appointed under this Master Indenture and its successors under Section 605) having a reported combined capital and surplus of at least $25,000,000. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 607. No resignation or removal of the Master Trustee and no appointment of a successor Trustee shall become effective until the successor Master Trustee has accepted its appointment under Section 610 hereof.

Section 607. Resignation by the Master Trustee. The Master Trustee and any successor Master Trustee may at any time resign from the trusts hereby created by giving thirty days' written notice to the Obligated Group Agent and by registered or certified mail to each registered owner of Obligations then outstanding and to each holder of Obligations as shown by the list of Obligation holders required by this Master Indenture to be kept at the office of the Master Trustee. Such resignation shall take effect at the end of such thirty days or when a successor Master Trustee has been appointed and has assumed the trusts created hereby, whichever is later, or upon the earlier appointment of a successor Master Trustee by the Obligation holders or by the Obligated Group. Such notice to the Obligated Group Agent may be served personally or sent by registered or certified mail.

Section 608. Removal of the Master Trustee. So long as no event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing hereunder, the Master Trustee may be removed with or without cause at any time by an instrument in writing signed by the Obligated Group Agent, delivered to the Master Trustee. The Obligated Group Agent shall give written notice of the removal of the Master Trustee to the holders of the Obligations and each Related Issuer. The Master Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Obligated Group Agent, and signed by the owners of a majority in aggregate principal amount of Obligations then outstanding; provided that, if any Related Issuer so elects, it may sign such an instrument as the owner of the Obligation or Obligations pledged to secure the Related Bonds issued by such Related Issuer.

Section 609. Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee. In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed: (a) by the Obligated Group Agent so long as no event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing; or (b) if an event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing, by the owners of 51% in aggregate principal amount of Obligations then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized. If a successor trustee shall not have been appointed within 30 days after notice of resignation by or removal of the Master Trustee, the Obligated Group or any holder of an Obligation may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing under the law of the jurisdiction in which it was created and by which it exists, having corporate trust powers and subject to examination by federal or state authorities, and having a reported capital and surplus of not less than $50,000,000.

Section 610. Concerning Any Successor Master Trustee. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Obligated Group Agent an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Obligated Group Agent, or of its successor, execute and deliver an instrument transferring to such successor Master Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Master Trustee shall deliver all securities and moneys held by it as Master Trustee hereunder to its successor. Should any instrument in writing from any Member be required by any successor Master Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed,

acknowledged and delivered by such Member. The resignation of any Master Trustee and the instrument or instruments removing any Master Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Master Trustee in each recording office, if any, where the Master Indenture shall have been filed and/or recorded.

Section 611. Master Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Master Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Master Trustee for the release of property and the withdrawal of cash hereunder.

Section 612. Successor Master Trustee as Trustee of Funds, Paying Agent and Obligation Registrar. In the event of a change in the office of Master Trustee, the predecessor Master Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Obligation Registrar and Paying Agent for principal of, premium, if any, and interest on the Obligations, and the successor Master Trustee shall become such Master Trustee, Obligation Registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the Obligated Group Agent in connection with the appointment of any successor Master Trustee.

Section 613. Co-Master Trustees. (a) If at any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any state or jurisdiction in which the trust estate, if any, created hereunder or any portion thereof may be located, the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall deem it necessary or prudent in the interest of the holders of the Obligations so to do, the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall have the power, by an instrument executed by the Master Trustee or by such holders, to appoint one or more persons approved by the Master Trustee or by such holders to act as co-trustee or co-trustees jointly with the Master Trustee, of any or all of the property subject to the lien of this Master Indenture or of any instrument securing any Obligation issued hereunder; and the person or person so appointed shall be such co-trustee or co-trustees, with such rights and remedies as shall be specified in such instrument to be executed as aforesaid, to the extent not prohibited by law. If the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall request the Obligated Group Agent to do so, the Obligated Group Agent shall for such purpose join with the Master Trustee or such holders in the execution, delivery and performance of any instrument necessary or proper to appoint such co-trustee or co-trustees, but the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall have the power to make such appointment by its or their sole action without making such request of the Obligated Group Agent.

(b) Every co-trustee shall, to the extent not prohibited by law, be appointed subject to the following provisions and conditions, namely:

(i) the rights and remedies conferred or imposed upon any such co-trustee pursuant to this Section 613 shall be conferred or imposed upon and exercised or

performed by the Master Trustee and co-trustee jointly, as shall be provided in the instrument appointed such co-trustee, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Master Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and remedies shall be exercised and performed by such co-trustee at the direction of the Master Trustee;

(ii) all rights and remedies conferred upon the Master Trustee in respect of the custody of securities and all moneys received, deposited or otherwise held under or pursuant to any provision of this Master Indenture shall be exercised solely by the Master Trustee; and

(iii) the Master Trustee may at any time by an instrument accept the resignation of or remove any co-trustee appointed under this Section 613, and upon the request of the Master Trustee the Obligated Group Agent shall for such purpose join with the Master Trustee in the execution, delivery and performance of all instruments necessary or proper to make effective such resignation or removal, but the Master Trustee shall have the power to accept such resignation or to remove any such co-trustee by its sole action without making such request of the Obligated Group Agent. A successor to a co-trustee so removed or who has so resigned may be appointed in the manner provided in this Section 613.

(c) Any notice, request or other writing by or on behalf of any or all of the holders of the Obligations or the Obligated Group Agent given to the Master Trustee shall be deemed to have been given to all of the co-trustees, as effectively as if given to each of them. Every instrument appointing any co-trustees shall refer to this Master Indenture and the conditions in this Article VI expressed, and, upon the acceptance by such co-trustee or co-trustees, it or they shall be vested with the estates or property specified in such instrument either jointly with the Master Trustee, or separately, as may be provided therein, subject to all the provisions of this Master Indenture; and every such instrument shall be filed with the Master Trustee. In case any co-trustee, or a successor such co-trustee, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, remedies and trusts of such co-trustee, so far as not prohibited by law, shall vest in and be exercised by the Master Trustee, without the appointment of a new trustee or successor to such co-trustee.

Section 614. Maintenance of Records. The Master Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Master Trustee pursuant to the provisions hereof as are requested by the Obligated Group Agent. The Master Trustee shall be entitled to reasonable compensation for its maintenance of any such records.

ARTICLE VII

SUPPLEMENTAL MASTER INDENTURES

Section 701. Supplemental Master Indentures Not Requiring Consent of Obligation Holders. Subject to the limitations set forth in Section 702 hereof with respect to this Section 701, the Members and the Master Trustee may, without the consent of, or notice to, any of the

Obligation holders, amend or supplement this Master Indenture, for any one or more of the following purposes:

(a) To cure any ambiguity or defective provision in or omission from this Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or adversely affect the holder of any Obligation;

(b) To grant to or confer upon the Master Trustee for the benefit of the Obligation holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation holders and the Master Trustee, or either of them, to add to the covenants of the Members for the benefit of the Obligation holders or to surrender any right or power conferred hereunder upon any Member;

(c) To assign and pledge under this Master Indenture any additional revenues, properties or collateral;

(d) To evidence the succession of another corporation to the agreements of a Member or the Master Trustee, or the successor of any thereof hereunder;

(e) To permit the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter in effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(f) To provide for the refunding or advance refunding of any Obligation;

(g) To provide for the issuance of Additional Obligations;

(h) To reflect the addition to or withdrawal of a Member from the Obligated Group;

(i) To provide for the issuance of Obligations with original issue discount, provided such issuance would not materially adversely affect the holders of Outstanding Obligations;

(j) To permit an Obligation to be secured by security which is not extended to all Obligation holders to the extent permitted hereunder;

(k) To permit the issuance of Obligations which are not in the form of a promissory note;

(l) To make such additions and changes to the provisions of Article V hereof in connection with the admission as a Member of the Obligated Group of an entity which is not a corporation or limited liability company as are necessary in order to obtain the opinion of Independent Counsel referred to in Section 404 (d)(2) which additions and changes, in the opinion of the Master Trustee, do not have a materially adversely affect on the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee; and

(m) To make any other change which, in the opinion of the Master Trustee, does not materially adversely affect the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee, including without limitation any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

Any Supplemental Master Indenture providing for the issuance of Additional Obligations shall set forth the date thereof, the date or dates upon which principal of, premium, if any, and interest on such Obligations shall be payable, the other terms and conditions of such Obligations, the form of such Obligations and the conditions precedent to the delivery of such Obligations which shall include, among other things:

(a) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by such Obligations;

(b) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of such Obligations, if any, set forth herein and in the Supplemental Master Indenture have been complied with and satisfied; and

(c) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of such Obligations under the Securities Act of 1933, as amended, and qualification of such Supplemental Master Indenture under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that the Obligated Group has complied with all applicable provisions of said acts.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (l) above, the Obligated Group Agent shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, in the manner provided in Section 1004 hereof at least 15 days prior to the execution of such Supplemental Master Indenture, which notice shall include a copy of the proposed Supplemental Master Indenture.

Section 702. Supplemental Master Indentures Requiring Consent of Obligation Holders. In addition to Supplemental Master Indentures covered by Section 701 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than 51% in aggregate principal amount of the Obligations which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture or, in case less than all of the several series of Obligations are affected thereby, the holders of not less than 51% in aggregate principal amount of the Obligations affected thereby which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture, shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the execution by the Members and the Master

Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Master Indenture; provided, however, that nothing contained in this Section or in Section 701 hereof shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount of Obligations the holders of which are required to consent to any such Supplemental Master Indenture, without the consent of the holders of all the Obligations at the time outstanding which would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any such Supplemental Master Indenture for any of the purposes of this Section, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Indenture to be mailed by first class mail postage prepaid to each holder of an Obligation or, in case less than all of the series of Obligations are affected thereby, of an Obligation of the series affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by all Obligation holders. The Master Trustee shall not, however, be subject to any liability to any Obligation holder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided in this Section. If the holders of not less than 51% in aggregate principal amount of the Obligations or the Obligations of each series affected thereby, as the case may be, which are outstanding hereunder at the time of the execution of any such Supplemental Master Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Master Indenture as in this Section permitted and provided, this Master Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purpose of obtaining the foregoing consents, the determination of who is deemed the holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in Section 513.

ARTICLE VIII

SATISFACTION OF THE MASTER INDENTURE

Section 801. Defeasance. If the Members shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of this Section 801, any Obligations owned by a Member) outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations outstanding, as and when the same become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the direction of the Obligated Group Agent in Escrow Obligations, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations outstanding; or

(d) by depositing with the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group and, if any such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of this Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then and in that case (but subject to the provisions of Section 803 hereof) this Master Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon Written Request of the Obligated Group Agent, and upon receipt by the Master Trustee of an Officer's Certificate from the Obligated Group Agent and an opinion of Independent Counsel acceptable to the Master Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Master Indenture and the lien hereof. The satisfaction and discharge of this Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection herewith. The foregoing notwithstanding, the liability of the Obligated Group in respect of the Obligations shall continue, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. The foregoing provisions notwithstanding, a condition precedent to the payment of the entire indebtedness on all Obligations pursuant to Section 801(d) shall be the delivery to the Master Trustee of a verification report of an independent certified public accountant as to the sufficiency of the amount of any moneys deposited pursuant to Section 801(d) to pay or redeem and discharge the indebtedness on all Obligations outstanding.

Any moneys, funds, securities, or other property remaining on deposit under this Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Master Indenture, forthwith be transferred, paid over and distributed to the Obligated Group.

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which the Obligated Group may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 802. Provision for Payment of a Particular Series of Obligations or Portion Thereof. If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose of this Section 802, any such Obligations owned by a Member) in one of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations of such series or portion thereof outstanding, as and when the same shall become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date), provided that such moneys, if invested, shall be invested at the direction of the Obligated Group Agent in Escrow Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof outstanding; or

(d) by depositing with the Master Trustee, in trust, Escrow Obligations in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group with respect to such series of Obligations or portion thereof, and, if any such Obligations of such series or portion thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case (but subject to the provisions of Section 803 hereof) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The liability of the Obligated Group in respect of such Obligations shall continue but the holders

thereof shall thereafter be entitled to payment (to the exclusion of all other Obligation holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. The foregoing notwithstanding, a condition precedent to payment of the entire indebtedness on all Obligations of a particular series or a portion of such series pursuant to Section 803(d) shall be the delivery to the Master Trustee of a verification report of an independent certified public account as to the sufficiency of the amount of any moneys deposited pursuant to Section 803(d) to pay or redeem and discharge the indebtedness on all Obligations of such series or portion thereof.

Section 803. Satisfaction of Related Bonds. The provisions of Section 801 and Section 802 of this Master Indenture notwithstanding, any Obligation which secures a Related Bond (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances described in subsection (b)(ii) of the definition of *"Outstanding Obligations"* contained in Article I; and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under this Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

ARTICLE IX

MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS

Section 901. Proof of Ownership. Any request, direction, consent or other instrument provided by this Master Indenture to be signed and executed by the Obligation holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Obligation holders in person or by an agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Obligated Group, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgements in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of Obligations shall be proved by the registration of such Obligations.

Any action taken or suffered by the Master Trustee pursuant to any provision of this Master Indenture, upon the request or with the assent of any person who at the time is the holder of any Obligation or Obligations, shall be conclusive and binding upon all future holders of the same Obligation or Obligations or any Obligation or Obligations issued in exchange therefor.

ARTICLE X

MISCELLANEOUS

Section 1001. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, and the holders of the Obligations, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Obligations as herein provided.

Section 1002. Unclaimed Moneys. Any moneys deposited with the Master Trustee by the Obligated Group in accordance with the terms and covenants of this Master Indenture, in order to redeem or pay any Obligation in accordance with the provisions of this Master Indenture, and remaining unclaimed by the owners of the Obligation for six years after the date fixed for redemption or of maturity, as the case may be, shall, if the Obligated Group is not at the time to the knowledge of the Master Trustee in default with respect to any of the terms and conditions of this Master Indenture, or in the Obligations, be repaid by the Master Trustee to the Obligated Group Agent upon its written request therefor on behalf of the Members; and thereafter the registered owners of the Obligation shall be entitled to look only to the Obligated Group for payment thereof. The Obligated Group hereby covenants and agrees to indemnify and save the Master Trustee harmless from any and all losses, costs, liability and expense suffered or incurred by the Master Trustee by reason of having returned any such moneys to the Members as herein provided.

Section 1003. Severability. If any provision of this Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Indenture contained, shall not affect the remaining portions of this Master Indenture, or any part thereof.

Section 1004. Notices. It shall be sufficient service of any notice, complaint, demand or other paper on the Obligated Group and each Member thereof if the same shall be delivered in person or duly mailed by registered or certified mail addressed as follows: Baptist Health South Florida, Inc., as Obligated Group Agent, 6855 Red Road, Suite 600, Coral Gables, Florida 33143, Attention: Chief Financial Officer. It shall be sufficient service of any notice, complaint, demand or other paper on the Master Trustee if the same shall be delivered in person or duly mailed by registered or certified mail addressed as follows: Wells Fargo Bank, N.A., Attention:

Corporate Trust Services, 7680 Universal Blvd., Suite 240, Orlando, Florida 75202. Any notice delivered hereunder to Moody's, Standard & Poor's or Fitch shall be duly mailed by first class mail addressed, respectively, as follows: Moody's Investors Service, 99 Church Street, New York, New York 10007, Standard & Poor's Corporation, 25 Broadway, New York, New York 10004, and Fitch Investors Service, Inc., One State Street Plaza, New York, New York 10004.

Section 1005. Master Trustee as Paying Agent and Registrar. The Master Trustee is hereby designated and agrees to act as principal Paying Agent and Obligation Registrar for and in respect to the Obligations. The Obligated Group may also appoint one or more other banks as Paying Agent.

Section 1006. Counterparts. This Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1007. Applicable Law. This Master Indenture shall be governed exclusively by the applicable laws of the State of Florida.

Section 1008. Immunity of Officers, Employees and Members of Members. No recourse shall be had for the payment of the principal of or premium or interest on any of the Obligations or for any claim based thereon or upon any obligation, covenant or agreement in this Master Indenture contained against any past, present or future officer, director, employee, member or agent of any Member, or of any successor corporation, or the Master Trustee as such, either directly or through any Member or any successor corporation, or the Master Trustee 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 officers, directors, employees, members or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Master Indenture and the issuance of such Obligations.

Section 1009. Holidays. If the date for making any payment or the date for performance of any act or the exercising of any right, as provided in this Master Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the nominal date provided in this Master Indenture.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and to evidence its acceptance of the trusts hereby created WELLS FARGO BANK, N.A. has caused these presents to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and to evidence its acceptance of the trusts hereby created WELLS FARGO BANK, N.A. has caused these presents to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

STATE OF FLORIDA)
) SS
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this ___ day of May, 2007, by Ralph E. Lawson, Executive Vice President and Chief Financial Officer of BAPTIST HEALTH SOUTH FLORIDA, INC. who is personally known to me (or who has produced _____ identification) and did (did not) take an oath.

Notary Public

Printed Name: _____
Commission Number: _____
State of Florida at Large
My commission expires: _____
(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
Cheryl L. Benk
Commission # DD568359
Expires: JUNE 26, 2010
BONDED THRU ATLANTIC BONDING CO., INC.

STATE OF FLORIDA)
) SS
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 10 day of May, 2007, by Laura Upham, Vice President of WELLS FARGO BANK, N.A who is personally known to me (or who has produced _____ identification) and did (did not) take an oath.

Notary Public

Printed Name: Cathy J Lombardi
Commission Number: # DD622144
State of Florida at Large
My commission expires: December 13, 2010
(SEAL)

CATHY J LOMBARDI
MY COMMISSION # DD622144
EXPIRES December 13, 2010
FloridaNotaryService.com

[This Obligation has not been registered under the Securities Act of 1933, as amended].

BAPTIST HEALTH SOUTH FLORIDA, INC.
DIRECT NOTE OBLIGATION, SERIES 2007
(CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY)

No. R-1 $800,000,000

BAPTIST HEALTH SOUTH FLORIDA, INC., a Florida not for profit corporation ("BHSF"), for value received, hereby promises to pay to the CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY (the "Authority"), or registered assigns, the principal sum of EIGHT HUNDRED MILLION DOLLARS, in annual installments in the amounts and years set forth below and to pay interest thereon in semiannual installments in the amounts and years set forth below:

FOR YEAR ENDING AUGUST 15,	ANNUAL INSTALLMENT OF PRINCIPAL	SEMIANNUAL INSTALLMENT OF INTEREST
2007	-	$ 9,816,284.35
2008	$ 8,910,000.00	19,853,159.39
2009	9,355,000.00	19,630,409.39
2010	9,820,000.00	19,396,534.39
2011	10,315,000.00	19,151,034.39
2012	10,830,000.00	18,893,159.39
2013	11,370,000.00	18,622,409.39
2014	11,940,000.00	18,338,159.39
2015	12,535,000.00	18,039,659.39
2016	13,160,000.00	17,726,284.39
2017	13,820,000.00	17,397,284.39
2018	14,510,000.00	17,051,784.39
2019	15,235,000.00	16,689,034.39
2020	16,000,000.00	16,308,159.39
2021	16,800,000.00	15,908,159.39
2022	17,640,000.00	15,488,159.39
2023	18,520,000.00	15,047,159.39
2024	19,445,000.00	14,584,159.39
2025	20,420,000.00	14,098,034.39
2026	21,440,000.00	13,587,534.39
2027	22,510,000.00	13,051,534.39
2028	23,635,000.00	12,488,784.39

FOR YEAR ENDING AUGUST 15,	ANNUAL INSTALLMENT OF PRINCIPAL	SEMIANNUAL INSTALLMENT OF INTEREST
2029	24,730,000.00	11,942,225.02
2030	25,875,000.00	11,370,343.77
2031	27,170,000.00	10,723,468.77
2032	28,525,000.00	10,044,218.77
2033	29,950,000.00	9,331,093.77
2034	31,335,000.00	8,638,500.00
2035	32,905,000.00	7,855,125.00
2036	34,550,000.00	7,032,500.00
2037	36,275,000.00	6,168,750.00
2038	38,090,000.00	5,261,875.00
2039	39,995,000.00	4,309,625.00
2040	41,995,000.00	3,309,750.00
2041	44,095,000.00	2,259,875.00
2042	46,300,000.00	1,157,500.00

Semiannual installments of interest are payable on or before the fifth calendar day and in all events prior to the second Business Day preceding the fifteenth day of each February and August, commencing August 15, 2007. Such payments shall be adjusted pursuant to Section 7.4 of the Loan Agreement.

Annual installments of principal are payable on or before the fifth calendar day and in all events prior to the second Business Day preceding the fifteenth day of each August commencing August 15, 2008. Such payments shall be adjusted pursuant to Section 7.4 of the Loan Agreement.

The principal of and interest on this Obligation and the premium, if any, payable upon redemption, are payable at the designated corporate trust office (initially the principal corporate trust office in Orlando, Florida) of Wells Fargo Bank, N.A., the Bond Trustee (the "Bond Trustee") under the Bond Trust Indenture dated as of May 1, 2007 (as it may be supplemented and amended from time to time, the "Bond Indenture"), from the Authority to the Bond Trustee, or at the office of any successor bond trustee under the Bond Indenture, by check or draft hand delivered to the holder hereof or by wire transfer to the holder thereof, in either case delivered on the date each such payment is due.

The principal of this Series 2007 Obligation is subject to prepayment by BHSF or any other Member of the Obligated Group from time to time, in the manner, under the circumstances and at the prices set forth in the Loan Agreement.

This Series 2007 Obligation is issued under and secured by and entitled to the security of a Master Trust Indenture dated as of May 1, 2007 (as it may be supplemented and amended from

time to time, the "Master Indenture"), duly executed and delivered by the Members of the Obligated Group to Wells Fargo Bank, N.A. BHSF, Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital Inc., Mariners Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc. are the current Members of the Obligated Group (as such terms are defined in the Master Indenture). Members of the Obligated Group jointly and severally agree under the Master Indenture to be liable on all Obligations issued under the Master Indenture (including this Series 2007 Obligation). It is provided in the Master Indenture that the current and any future Members of the Obligated Group may hereafter issue Additional Obligations (as defined in the Master Indenture) from time to time, and if issued, such Additional Obligations will rank pari passu with this Obligation and all other Obligations theretofore or thereafter issued under the Master Indenture, except as otherwise provided in the Master Indenture. Reference is made to the Master Indenture, to all indentures supplemental thereto and to all amendments thereto for the provisions, among others, with respect to the nature and extent of the security for this Series 2007 Obligation, the rights, duties and obligations of the Members of the Obligated Group and the Master Trustee and the rights of the holders of this Series 2007 Obligation, and to all the provisions of which the holder hereof by the acceptance of this Obligation assents.

This Obligation is transferable by the registered holder hereof in person or by duly authorized attorney at the principal corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Obligation. Upon such transfer a new registered Obligation or Obligations without coupons of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

This Obligation is prepayable at any time to the extent of proceeds received from insurance, condemnation or sale consummated under threat of condemnation under certain conditions, in whole or in part and if in part, by maturities or portions thereof designated by BHSF, without premium, as provided in the Master Indenture.

This Obligation may also be prepaid in whole or in part by paying the amount necessary to provide for the payment, prepayment, redemption, refunding or advance refunding of the Authority's $800,000,000 Hospital Revenue Bonds, Series 2007 (Baptist Health South Florida Obligated Group) (the "Series 2007 Bonds") or any portion of such Series 2007 Bonds in the manner provided in the Bond Indenture.

In the event this Obligation is prepaid as aforesaid, notice thereof identifying the portion of this Obligation to be prepaid will be given by mailing a copy of the redemption notice by registered or certified mail to the registered owner or owners hereof, at their addresses shown on the registration books, not less than 30 days prior to the date fixed for prepayment. This Obligation or the portion hereof so called for prepayment will cease to bear interest on the specified prepayment date, provided funds for its prepayment are on deposit at the place of payment at that time, and this Obligation or such portion shall no longer be protected by the

Master Indenture and shall not be deemed to be outstanding under the provisions of the Master Indenture.

This Obligation is subject to advance defeasance of the Master Indenture by depositing Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding under the Master Indenture at or before their maturity date. The Members shall remain the obligors on such Obligations but the holders thereof shall be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Members may also pay or provide for the payment of the entire indebtedness on this Obligation or any portion of this Obligation by depositing Escrow Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on this Obligation or a portion of this Obligation at or before its maturity date. Upon such deposit, this Obligation or portion of this Obligation shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on such Obligation but the holders thereof shall be entitled to payment (to the exclusion of all other Obligation holders) solely out of such funds received from such Escrow Obligations. The Members may pay or provide for the payment of all or a part of the indebtedness on Obligations of a particular series other than this Obligation, as described in the Master Indenture.

The holder of this Obligation shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

This Obligation is an Accelerable Instrument (as defined in the Master Indenture) and the holder hereof has the right under the Master Indenture to request an acceleration of this Obligation upon the occurrence of an event of default described in Section 502 of the Master Indenture

In certain events (including without limitation the occurrence of an "event of default" as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the outstanding principal of this Obligation may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Master Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Obligation, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Obligation have been duly authorized by resolution of BHSF duly adopted.

No recourse shall be had for the payment of the principal of or premium or interest on this Obligation or for any claim based hereon or upon any obligation, covenant or agreement in the Master Indenture contained against any past, present or future officer, trustee, director,

member, employee or agent of any Member of the Obligated Group, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Obligation.

BHSF, on behalf of itself and the other Members, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Members.

This Obligation shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the certificate of authentication hereon shall have been duly executed by the Master Trustee.

IN WITNESS WHEREOF, Baptist Health South Florida, Inc. has caused this Obligation to be executed in its name and on its behalf by the manual signature of its Executive Vice President and Chief Financial Officer as of this 16th day of May, 2007.

BAPTIST HEALTH SOUTH FLORIDA, INC.

By _____
Executive Vice President and
and Chief Financial Officer

This Obligation is one of the Obligations described in the within-mentioned Master Indenture.

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

Pay to the order of Wells Fargo Bank, N.A., as Bond Trustee, pursuant to the aforesaid Bond Trust Indenture, as the same may be supplemented and amended, authorizing the issuance of $800,000,000 aggregate principal amount of City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 2007 (Baptist Health South Florida Obligated Group), without recourse.

CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY

By _____
Chairperson

EXHIBIT B

LIST OF EXCEPTIONS

The provisions of the Master Indenture pursuant to which each Member of the Obligated Group covenants to jointly and severally pay any Obligation issued by a Member other than itself may not be enforceable if such payment:

(i) is to be made on any such Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Member from which such payment is requested or which was issued for the benefit of any entity other than a not for profit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code and which is not a "private foundation" as defined in Section 509(a) of the Code;

(ii) is to be made from any monies or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such monies or assets for such a payment;

(iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member from which such payment is requested; or

(iv) is to be made pursuant to any loan violating applicable usury laws.

EXHIBIT C

LIST OF OBLIGATED GROUP MEMBERS

Baptist Health South Florida, Inc.

Baptist Hospital of Miami, Inc.

Baptist Outpatient Services, Inc

Doctors Hospital, Inc.

Homestead Hospital, Inc.

Mariners Hospital, Inc.

South Miami Hospital, Inc.

West Kendall Baptist Hospital, Inc.

EXHIBIT D

SUBORDINATED INDEBTEDNESS

Any issue of Subordinated Indebtedness shall be evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such Indebtedness (to which appropriate reference shall be made in the instruments evidencing such Indebtedness) substantially as follows (the term "debentures" being, for convenience, used in the provisions set forth below to designate the instruments issued to evidence Subordinated Indenture and the term "this Indenture" to designate the instrument, indenture or other document containing such provisions):

"All debentures issued under this Indenture shall be issued subject to the following provisions and each person taking or holding any such debenture whether upon original issue or upon transfer or assignment thereof accepts and agrees to be bound by such provisions.

All debentures issued hereunder and any coupons thereto appertaining shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right to the prior payment in full of Superior Indebtedness as defined in this Section. For all purposes of this Section the term "Superior Indebtedness" shall mean all Obligations now or hereafter issued under that certain Master Trust Indenture (the "Master Indenture"), dated as of May 1, 2007 among Baptist Health South Florida, Inc., Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., Mariners Hospital, Inc., South Miami Hospital, Inc., West Kendall Baptist Hospital, Inc., and Wells Fargo Bank, N.A. as Master Trustee (the "Master Trustee"), as supplemented and modified to the date hereof, or as the same may hereafter from time to time be further supplemented and modified.

No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, unless full payment of amounts then due and payable for principal, premium, if any, sinking funds and interest on Superior Indebtedness has been made or duly provided for in accordance with the terms of such Superior Indebtedness. No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, if, at the time of such payment or application or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Superior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Superior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof and such event of default shall not have been cured or waived or shall not have ceased to exist.

Upon (i) any acceleration of maturity of the principal amount due on the debentures or (ii) any payment of distribution of any kind or character, whether in cash, property or securities, upon any dissolution or winding-up or total or partial liquidation, reorganization or arrangement of any Member (as defined in the Master Indenture), whether voluntary or involuntary or in

bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Superior Indebtedness shall first be paid in full, or payment thereof provided for in accordance with the terms of such Superior Indebtedness, before any payment is made on account of the principal, premium, if any, or interest on the indebtedness evidenced by the debentures, and upon any such dissolution or winding-up or liquidation, reorganization or arrangement, any payment or distribution of any kind or character, whether in cash, property or securities, to which the holders of the debentures or the Trustee under this Indenture would be entitled, except for the provisions hereof, shall be paid by the Members, or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, to the Master Trustee to the extent necessary to pay all Superior Indebtedness in full after giving effect to any concurrent payment or distribution to the Master Trustee for the holders of Superior Indebtedness, before any payment or distribution is made to the holders of the indebtedness evidenced by the debentures or to the Trustee under this Indenture.

In the event that, in violation of any of the foregoing provisions, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the Trustee under this Indenture or by the holders of the debentures before all Superior Indebtedness is paid in full, or provision made for such payment in accordance with the terms of such Superior Indebtedness, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the Master Trustee for application to the payment of all Superior Indebtedness remaining unpaid to the extent necessary to pay all such Superior Indebtedness in full in accordance with its terms, after giving effect to any concurrent payment or distribution to the Master Trustee for the holders of such Superior Indebtedness.

No present or future holder of Superior Indebtedness shall be prejudiced in his right to enforce subordination of the indebtedness evidenced by the debentures by any act or failure to act on the part of any Member or anyone in custody of its assets or property.

The foregoing subordination provisions shall be for the benefit of the holders of Superior Indebtedness and may be enforced by the Master Trustee against the holders of debentures or any trustee thereof; provided, however, that the indentures or other instruments creating or evidencing subordinated debt or pursuant to which any subordinated debt is issued shall provide: (i) that the foregoing provisions are solely for the purpose of defining the relative rights of the holders of "Superior Indebtedness" (as defined therein) on the one hand and the holders of the Subordinated Indebtedness on the other hand, and that nothing therein shall impair, as between the Members and the holders of the Subordinated Indebtedness, the obligation of the Members, which is unconditional and absolute, to pay to the holders thereof the principal thereof, premium, if any, and interest thereon in accordance with its terms, nor shall anything therein prevent the holders of the Subordinated Indebtedness or any Trustee on their behalf from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights set forth above of the holders of "Superior Indebtedness" to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Indebtedness, (ii) that upon any payment or distribution of assets of any Member of the character referred to in the fourth paragraph of the foregoing provisions, the Trustee under any indenture relating to Subordinated Indebtedness shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding-up, liquidation, reorganization or

arrangement proceedings are pending, and upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making any such payment or distribution, delivered to said Trustee for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of "Superior Indebtedness" and other indebtedness of such Member, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to the foregoing provisions, and (iii) that the Trustee under any indenture relating to Subordinated Indebtedness and any paying agent therefor shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by such Trustee or such paying agent, unless and until such Trustee or such paying agent, as the case may be, shall have received written notice thereof from any Member or from one or more holders of "Superior Indebtedness", or from the Master Trustee."

[THIS PAGE INTENTIONALLY LEFT BLANK]

FIRST SUPPLEMENTAL MASTER TRUST INDENTURE

Dated as of May 1, 2011

AMONG

BAPTIST HEALTH SOUTH FLORIDA, INC.,
BAPTIST HOSPITAL OF MIAMI, INC.,
BAPTIST OUTPATIENT SERVICES, INC.,
DOCTORS HOSPITAL, INC.,
HOMESTEAD HOSPITAL INC.,
MARINERS HOSPITAL, INC.,
SOUTH MIAMI HOSPITAL, INC.
AND
WEST KENDALL BAPTIST HOSPITAL, INC.

AND

WELLS FARGO BANK, N.A.,
as Master Trustee

Supplementing and amending the Master Trust Indenture
dated as of May 1, 2007, and providing for
the issuance of Additional Direct Note Obligations

$250,000,000 Baptist Health South Florida Obligated Group
Taxable Notes, Series 2011

This Instrument was prepared by:

Lynn Leland Coe
Michael J. Mitchell
Jones Day
77 West Wacker
Chicago, Illinois 60601-1692

TABLE OF CONTENTS

(This Table of Contents is not a part of this First Supplemental Master Trust Indenture and is only for convenience of reference).

ARTICLE I DEFINITIONS OF TERMS 2
Section 101. Definitions 2
ARTICLE II REPRESENTATIONS OF OBLIGATED GROUP MEMBERS 3
Section 201. Representations of the Obligated Group Members 3
ARTICLE III CREATION OF THE SERIES 2011 NOTES 3
Section 301. Issuance of the Series 2011 Notes 3
ARTICLE IV Book entry 6
Section 401. Book-Entry Only System 6
Section 402. Successor Securities Depository; Transfers Outside Book-Entry Only System 7
Section 403. Payments and Notices to Cede & Co 7
ARTICLE V Funds 7
Section 501. Interest Fund 7
Section 502. Sinking Fund 8
Section 503. Redemption Fund 8
Section 504. Investment of Funds 8
ARTICLE VI REDEMPTION OF SERIES 2011 NOTES 9
Section 601. Redemption Dates and Prices 9
Section 602. Notice of Redemption; Effect 10
Section 603. Cancellation 10
ARTICLE VII AMENDMENTS TO ORIGINAL MASTER INDENTURE 11
Section 701. Amendment to Section 401 of the Original Master Indenture 11
Section 702. Amendment to Section 405 of the Original Master Indenture 11
ARTICLE VIII MISCELLANEOUS 11
Section 801. Note Register 11
Section 802. Execution of this First Supplemental Master Indenture 11
Section 803. Continuation of Rights of the Master Trustee 11
Section 804. Ratification of Original Master Indenture 11
Section 805. Severability 12
Section 806. Applicable Law 12

EXHIBIT A – FORM OF SERIES 2011 NOTE
EXHIBIT B – BLANKET LETTER OF REPRESENTATIONS FROM BAPTIST HEALTH SOUTH FLORIDA, INC. TO THE DEPOSITORY TRUST COMPANY

THIS FIRST SUPPLEMENTAL MASTER TRUST INDENTURE dated as of May 1, 2011 (the *"First Supplemental Master Indenture"*) among BAPTIST HEALTH SOUTH FLORIDA, INC. (*"BHSF"*), BAPTIST HOSPITAL OF MIAMI, INC. (*"Baptist Hospital"*), BAPTIST OUTPATIENT SERVICES, INC. (*"BOS"*), DOCTORS HOSPITAL, INC. (*"Doctors Hospital"*), HOMESTEAD HOSPITAL, INC. (*"Homestead Hospital"*), MARINERS HOSPITAL INC. (*"Mariners Hospital"*), SOUTH MIAMI HOSPITAL, INC. (*"South Miami Hospital"*) and WEST KENDALL BAPTIST HOSPITAL, INC. (*"West Kendall Baptist Hospital"*), each a Florida not for profit corporation duly organized and validly existing under the laws of the State of Florida and the current Members of the Obligated Group, and WELLS FARGO BANK, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its designated corporate trust office currently at 225 Water Street, Suite 410, Jacksonville, Florida, as master trustee (the *"Master Trustee"*), supplementing and amending the Original Master Indenture (as hereinafter defined);

WITNESSETH:

WHEREAS, the Members of the Obligated Group (as defined in the hereinafter referenced Original Master Indenture) are authorized by law, and deem it necessary and desirable, that they be able to issue direct note obligations (the *"Obligations"*) of several series in order to secure the financing or refinancing of health care facilities and for other lawful and proper corporate purposes; and

WHEREAS, the Members of the Obligated Group have heretofore executed and delivered to the Master Trustee that certain Master Trust Indenture dated as of May 1, 2007 (the *"Original Master Indenture"* and, as supplemented and amended by this First Supplemental Master Indenture and as it may be further supplemented and amended from time to time, the *"Master Indenture"*) for the purpose of providing for the issuance of Obligations of various series, without limit as to principal amount except as stated therein; and

WHEREAS, all acts and things necessary to make the Obligations of each series, when authorized and executed by any Member of the Obligated Group and authenticated and delivered by the Master Trustee as provided in the Master Indenture, the valid, binding and legal joint and several obligation of each Member of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed and the execution of this First Supplemental Master Indenture and the issuance hereunder of the Obligated Group's $250,000,000 Baptist Health South Florida Obligated Group Taxable Notes, Series 2011 (the *"Series 2011 Notes"*), have in all respects been duly authorized, and the Members of the Obligated Group, in the exercise of their respective legal rights and powers, execute this First Supplemental Master Indenture and BHSF, on behalf of itself and the other Members of the Obligated Group propose to make, issue and execute the Series 2011 Notes; and

WHEREAS, the Members of the Obligated Group have determined that the Series 2011 Notes may be issued without coupons and that the form of such Series 2011 Notes and the Master Trustee's certificate of authentication to be endorsed thereon are to be in substantially the form set forth in *Exhibit A* hereto, with such modifications, insertions, omissions and changes as are required or permitted by the provisions of the Master Indenture; and

WHEREAS, Section 701(g) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of issuing Additional Obligations (as defined in the Master Indenture); and

WHEREAS, Section 701(b) of the Original Master Indenture permits amendments to the Master Indenture without consent of, or notice to, any of the Obligation holders for the purpose of adding to the covenants of the Members for the benefit of the Obligation holders; and

WHEREAS, Section 701 (j) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of permitting an Obligation to be secured by security which is not extended to all Obligation holders;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL MASTER INDENTURE WITNESSETH:

ARTICLE I

DEFINITIONS OF TERMS

Section 101. Definitions. All capitalized terms used herein but not defined herein have the meanings ascribed to them in the Original Master Indenture.

In addition to the terms defined in the Original Master Indenture or elsewhere in this First Supplemental Master Indenture, the following terms shall have the meanings attributed thereto:

"Authorized Denominations" means, with respect to the Series 2011 Notes, $1,000 and integral multiples thereof.

"Defaulted Interest" means interest on any Series 2011 Notes which is payable but not duly paid on the date due.

"DTC" means The Depository Trust, and its successors and assigns.

"DTC Participant" means those broker dealers, banks and other financial institutions reflected on the books of DTC for whom DTC holds Series 2011 Notes.

"Indirect Participant" means any person on behalf of whom a DTC Participant directly or indirectly holds an interest in the Series 2011 Notes.

"Interest Payment Date" means, with respect to the Series 2011 Notes, each February 15 and August 15.

"Letter of Representations" means the Blanket Letter of Representations from BHSF to DTC, in the form attached as *Exhibit B* hereto.

"Note Purchase Agreement" means the Note Purchase Agreement dated May 10, 2011 between BHSF, on its own behalf and on behalf of the other Members of the Obligated Group, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as purchaser.

"Note Register" means the registration books maintained by the Master Trustee, as registrar, with respect to the Series 2011 Notes.

"Record Date" means, with respect to the Series 2011 Notes, each February 1 or August 1 (whether or not a Business Day) next preceding each Interest Payment Date.

"Special Record Date" means, with respect to the Series 2011 Notes, the date fixed by the Master Trustee pursuant to Section 301(K) hereof for the payment of Defaulted Interest.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2011 Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2011 Notes; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be the "Treasury Rate."

ARTICLE II

REPRESENTATIONS OF OBLIGATED GROUP MEMBERS

Section 201. Representations of the Obligated Group Members. The Obligated Group Members represent and warrant that all representations and warranties of the Members of the Obligated Group contained in Section 403 of the Original Master Indenture are true and correct on the date hereof with the same effect as if said representations and warranties were made by them herein on and as of the date hereof, provided that all references to the Master Indenture shall be deemed to include all supplements thereto, including this First Supplemental Master Indenture, and that all references to the Series 2007 Obligation shall be deemed to include the Series 2011 Notes.

ARTICLE III

CREATION OF THE SERIES 2011 NOTES

Section 301. Issuance of the Series 2011 Notes. (A) There is hereby created a series of Obligations to be known as and designated "Baptist Health South Florida Obligated Group Taxable Notes, Series 2011" in the form set forth in *Exhibit A* hereto and in the aggregate principal amount of $250,000,000, which shall be executed, authenticated and delivered in accordance with Article II of the Master Indenture. The Series 2011 Notes will be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated pursuant to the Note Purchase Agreement for $248,680,000, representing the proceeds of the sale of beneficial ownership interests therein

($250,000,000) less $1,320,000 in underwriter's discount. Such proceeds shall be paid directly to BHSF and applied by the Obligated Group for any authorized corporate purpose.

(B) The Series 2011 Notes shall initially be issued in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the date of issuance thereof. One Series 2011 Note shall be initially registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. If BHSF is no longer participating in a book-entry system, replacement Series 2011 Notes may be issued in Authorized Denominations, which shall be numbered sequentially so as to distinguish them from the Series 2011 Notes which were previously issued.

(C) The Series 2011 Notes shall bear interest from their date of issuance (calculated on the basis a 360-day year of twelve 30-day months) at the rate of 4.59% per annum and shall mature on August 15, 2021 in the principal amount of $250,000,000.

Interest shall be payable on each February 15 and August 15 (or on the next succeeding Business Day if such February 15 or August 15 is not a Business Day), commencing August 15, 2011.

(D) The principal of, premium, if any, and interest on the Series 2011 Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(E) The Series 2011 Notes shall be subject to redemption prior to maturity as described in Article VI hereof.

(F) For so long as the Series 2011 Notes are held pursuant to a book-entry system, BHSF, as Obligated Group Agent, hereby elects on behalf of the Obligated Group, to have payments on the Series 2011 Notes made by wire transfer to the registered owner of the Series 2011 Notes, delivered on the date each such payment is due. BHSF, as Obligated Group Agent, also hereby elects on behalf of the Obligated Group, to have the Series 2011 Notes be issued initially in fully registered form exchangeable solely for fully registered Notes of such series. If the Obligated Group is no longer participating in a book-entry system, multiple Series 2011 Notes may be issued as provided in Article IV hereof. In such case, principal and interest shall be paid in accordance with Section 202 of the Original Master Indenture except as hereinafter provided. If the Series 2011 Notes are no longer held pursuant to a book-entry system, payment of the principal of and interest (other than Defaulted Interest) on any Series 2011 Notes shall be made to the person appearing on the Note Register as the registered owner thereof as of the close of business of the Master Trustee on the Record Date for such Interest Payment Date and shall be paid by check or draft of the Master Trustee mailed on the maturity or Interest Payment Date to the registered owner at such owner's address as it appears on the Note Register or at such other address as is furnished to the Master Trustee in writing by such owner no later than the Record Date. The payment of interest and principal shall be made to any owner of $1,000,000 or more in aggregate principal amount of Series 2011 Notes as of the close of business of the Master Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such owner on such Interest Payment Date upon written notice from such owner containing the wire transfer address within the continental United States to which such owner wishes to have such wire

directed which written notice is received not later than the Business Day next preceding the Record Date for such interest payment date.

(G) The Series 2011 Notes shall not be issued until all conditions precedent thereto set forth herein in the Original Master Indenture and in the Note Purchase Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2011 Notes shall include, among other things:

(i) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by the Series 2011 Notes;

(ii) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of the Series 2011 Notes, if any, set forth in the Master Indenture, including herein, have been complied with and satisfied; and

(iii) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2011 Notes under the Securities Act of 1933, as amended, is not required.

(H) The Series 2011 Notes shall be Accelerable Instruments; provided that if the Series 2011 Notes are not held pursuant to a book-entry only system, the Series 2011 Notes may only be accelerated upon the occurrence of an event of default upon the request of the holders of a majority in aggregate principal amount of the Series 2011 Notes then Outstanding.

(I) The provisions of Section 207 of the Original Master Indenture notwithstanding, if any Member shall acquire any Series 2011 Note, such Member shall not be required to deliver such Note to the Master Trustee for cancellation and such Note shall remain outstanding within the meaning of the Master Indenture until such Note is delivered to the Master Trustee for cancellation; provided, however, that any such Series 2011 Notes acquired by a Member shall not be considered outstanding for purposes of any consent, approval, waiver or notice required to be given or obtained under the Master Indenture.

(J) Notice of the payment at maturity of the Series 2011 Notes shall be given in the same manner and within the same time frame as notices of prepayment or redemption pursuant to Section 302 of the Original Master Indenture; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing will not extend the maturity date of the Series 2011 Notes. If on the maturity date of the Series 2011 Notes, moneys for payment of principal of and interest accrued on the Series 2011 Notes are held by the Master Trustee, interest on the Series 2011 Notes shall cease to accrue, the Series 2011 Notes shall cease to be entitled to the benefit or security of the Master Indenture, except the right to receive payment from the moneys held by the Master Trustee, and the Series 2011 Notes shall be deemed paid and no longer outstanding.

(K) Defaulted Interest with respect to any Series 2011 Note shall cease to be payable to the owner of such Note on the relevant Record Date and shall be payable to the owner in whose name such Note is registered at the close of business of the Master Trustee on the Special

Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Obligated Group Agent shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2011 Note and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time the Obligated Group Agent shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the owners of the Series 2011 Notes entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Obligated Group Agent of such Special Record Date and, in the name and at the expense of the Obligated Group Agent, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than 10 days prior to such Special Record Date to each owner of a Series 2011 Note at the address of such owner as it appears on the Note Register. Such Defaulted Interest shall be paid to the holders of the Series 2011 Notes on which such Defaulted Interest is to be paid in whose names such Series 2011 Notes are registered on such Special Record Date.

ARTICLE IV

BOOK ENTRY

Section 401. Book-Entry Only System. It is intended that the Series 2011 Notes be registered so as to participate in a securities depository system with DTC (the *"DTC System"*), as set forth herein. One fully registered Series 2011 Note shall be initially issued and registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee for DTC. BHSF, as Obligated Group Agent, is authorized to execute and deliver, on behalf of the Obligated Group, such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations.

With respect to any Series 2011 Note registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee of DTC, BHSF and the other Members of the Obligated Group shall have no responsibility or obligation to any DTC Participant or any Indirect Participant. Without limiting the immediately preceding sentence, BHSF and the other Members of the Obligated Group shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any DTC Participant or any Indirect Participant with respect to the ownership interest in any Series 2011 Note, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than a registered owner of any Series 2011 Notes as shown in the Note Register, of any notice with respect to any Series 2011 Notes, including any notice of redemption, or (c) the payment to any DTC Participant or Indirect Participant or any other person, other than a registered owner of any Series 2011 Note as shown in the Note Register, of any amount with respect to principal of or interest on such Series 2011 Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2011 Note certificate with respect to any Series 2011

Note. Upon delivery by DTC to the Master Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2011 Notes at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Supplemental Master Indenture shall refer to such new nominee of DTC.

Section 402. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) BHSF or the entity then serving as the Obligated Group Agent determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) BHSF or the entity then serving as the Obligated Group Agent determines that it is in the best interests of the beneficial owners of the Series 2011 Notes that they be able to obtain certificated Series 2011 Notes, BHSF or the entity then serving as the Obligated Group Agent shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2011 Note certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Series 2011 Note certificates and transfer one or more separate Series 2011 Note certificates to DTC Participants having portions of a Series 2011 Note credited to their DTC accounts. In such event, the Series 2011 Notes shall no longer be restricted to being registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee of DTC, but may be registered in the name of the successor security depository, or its nominee, in whatever name or names registered owners of Series 2011 Notes transferring or exchanging Series 2011 Notes shall designate, in accordance with the provisions hereof and of the Original Master Indenture.

Section 403. Payments and Notices to Cede & Co. Notwithstanding any other provision of the Master Indenture to the contrary, so long as any Series 2011 Note is registered in the name of Cede & Co., or any successor thereto, as nominee of DTC, all payments with respect to principal, interest and premium on such Series 2011 Note and all notices with respect to such Series 2011 Note shall be made and given, respectively, in the manner provided in the Letter of Representations. The Master Trustee shall request in each notice sent to Cede & Co. or any successor thereto, pursuant to the terms of this First Supplemental Master Indenture that Cede & Co. or any successor thereto, forward or cause to be forwarded such notice to the DTC Participants.

ARTICLE V

FUNDS

Section 501. Interest Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as the Series 2011 Notes are outstanding a separate account to be known as the "Interest Fund – Baptist Health Systems" (the *"Interest Fund"*).

(B) On or before the third Business Day prior to each Interest Payment Date, BHSF shall deposit in the Interest Fund moneys in an amount which, together with any other moneys

already in deposit therein and available to make such payment, is not less than the interest coming due on the Series 2011 Notes on such Interest Payment Date.

(C) Moneys in the Interest Fund shall be used solely for the payment of interest on the Series 2011 Notes as the same shall become due and payable on each Interest Payment Date.

(D) In connection with any partial redemption or defeasance prior to maturity of the Series 2011 Notes, the Master Trustee may, at the request of the Obligated Group Agent, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Series 2011 Notes remaining outstanding on the next succeeding Interest Payment Date to pay the principal of and interest and premium, if any, on the Series 2011 Notes to be redeemed or defeased .

Section 502. Sinking Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as any of the Series 2011 Notes are outstanding a separate account to be known as the "Sinking Fund – Baptist Health Systems" (the *"Sinking Fund"*).

(B) On or before the third Business Day preceding August 15, 2021, after making the deposit required by Section 501 hereof, BHSF shall deposit in the Sinking Fund moneys in an amount which, together with any moneys already on deposit in the Sinking Fund and available to make the payment, is not less than such principal becoming due on the Series 2011 Notes on August 15, 2021.

(C) Moneys in the Sinking Fund shall be used solely for the payment of principal of the Series 2011 Notes as the same shall become due and payable at maturity.

Section 503. Redemption Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as any of the Series 2011 Notes are outstanding a separate account to be known as the "Redemption Fund - Baptist Health System" (the *"Redemption Fund"*). In the event of (a) prepayment by or on behalf of BHSF of amounts payable on the Series 2011 Notes or (b) deposit with the Master Trustee by the Obligated Group Agent or any other Member of moneys from any other source for redeeming Series 2011 Notes, such moneys shall be deposited in the Redemption Fund.

(B) Moneys on deposit in the Redemption Fund shall be used first to make up any deficiencies existing in the Interest Fund and the Sinking Fund (in the order listed) and second for the purchase or redemption of Series 2011 Notes in accordance with the provisions of Article VI hereof.

Section 504. Investment of Funds. (A) Moneys on deposit in the funds created under this First Supplemental Master Indenture shall be invested as directed in an Officer's Certificate of the Obligated Group Agent in Permitted Investments.

(B) If the Obligated Group Agent fails to give such an Officer's Certificate to the Master Trustee, moneys in such funds shall be invested in United States Government Obligations maturing within 14 days of such investment, as the Master Trustee shall determine. Investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Master Trustee, when authorized by the Obligated Group Agent,

may trade with itself in the purchase and sale of securities or such investments; provided, however, that in no case shall investments be otherwise than in accordance with the investment limitations contained herein. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments.

ARTICLE VI

REDEMPTION OF SERIES 2011 NOTES

Section 601. Redemption Dates and Prices. (A) The Series 2011 Notes are subject to optional redemption prior to their maturity at the option of the Obligated Group Agent, in whole or in part on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Series 2011 Notes to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2011 Notes, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2011 Notes are to be redeemed, discounted to the date on which the Series 2011 Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 22 basis points;

plus in each case, accrued interest on the Series 2011 Notes to be redeemed to the redemption date.

At the request of the Master Trustee to the Obligated Group Agent, the redemption price of the Series 2011 Notes to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Obligated Group Agent at the Obligated Group's expense to calculate such redemption price. The Master Trustee and the Obligated Group may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

(B) No redemption of less than all of the Series 2011 Notes at the time outstanding shall be made pursuant hereto unless the aggregate principal amount of the Series 2011 Notes to be redeemed is equal to or greater than $100,000.

(C) Series 2011 Notes may be called for redemption by the Master Trustee pursuant to this Section 601 upon receipt by the Master Trustee at least 30 days prior to the redemption date of a written request of the Obligated Group Agent requesting such redemption.

(D) In lieu of redeeming Series 2011 Notes pursuant to this Section 601, the Master Trustee shall, at the written request of the Obligated Group Agent, use such funds otherwise available hereunder for redemption of Series 2011 Notes to purchase Series 2011 Notes identified by the Obligated Group Agent in the open market at a price specified by the Obligated Group Agent not exceeding the redemption price then applicable hereunder.

(E) The provisions of Sections 410 and 411 of the Original Master Indenture notwithstanding, the Series 2011 Notes are not subject to redemption in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof or condemnation or sale consummated under threat of condemnation of the Facilities of any Member or any part thereof.

Section 602. Notice of Redemption; Effect. (A) Notice of the call for any such redemption shall state the following: (i) the name of the issue, (ii) the CUSIP number and certificate number of the Series 2011 Notes to be redeemed, (iii) the original dated date of the issue, (iv) the interest rate and maturity date of the Series 2011 Notes to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price, and (viii) the address and telephone number of the principal office of the Master Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 30 or more than 60 days prior to the redemption date to the registered owners of the Series 2011 Notes to be redeemed to the address shown on the Note Register, provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2011 Notes will not affect the validity of any proceedings for redemption as to any other Series 2011 Notes with respect to which notice was properly given to the holder thereof. Prior to the date that the redemption notice is first mailed as aforesaid, funds shall be placed with the Master Trustee to pay the redemption price of such Series 2011 Notes, or such notice of redemption shall state that any redemption is conditional on such funds being deposited with the Master Trustee on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Master Indenture.

(B) Upon the happening of the above conditions and if sufficient funds are placed with the Master Trustee by the redemption date to pay the redemption price of such Series 2011 Notes, the Series 2011 Notes, or portions thereof, thus called shall not bear interest after the applicable redemption date, shall no longer be protected by this Master Indenture and shall not be deemed to be outstanding under the provisions of this Master Indenture. The Master Trustee shall redeem, in the manner provided in this Article VI, such an aggregate principal amount of such Series 2011 Notes at the principal amount thereof plus accrued interest to the redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Obligated Group Agent, such funds may be invested in United States Government Obligations until needed for redemption payout.

If such conditions are not satisfied or such funds are not so deposited by such date, such Series 2011 Notes shall not be subject to redemption and the holders thereof shall have the same rights as if no such notice had been given. In such event, the Master Trustee shall promptly give notice thereof to the owners of such Series 2011 Notes by first class mail, postage prepaid.

Section 603. Cancellation. All Series 2011 Notes which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Master Trustee and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished upon written request by the Master Trustee to the Obligated Group Agent.

ARTICLE VII

AMENDMENTS TO ORIGINAL MASTER INDENTURE

Section 701. Amendment to Section 401 of the Original Master Indenture. Pursuant to Section 701(b) of the Original Master Indenture, Section 401 of the Original Master Indenture is hereby supplemented by inserting the following at the beginning of such Section 401: "The Members of the Obligated Group agree that each Obligation issued under the Master Indenture shall constitute a general obligation of each member of the Obligated Group secured to the extent provided in the Master Indenture."

Section 702. Amendment to Section 405 of the Original Master Indenture. Pursuant to Section 701(j) of the Original Master Indenture, the last paragraph of Section 405 of the Original Master Indenture is amended in its entirety to read as follows:

> "The foregoing notwithstanding, Baptist Hospital agrees that it will be a Member of the Obligated Group so long as either the Series 2007 Obligation or any portion thereof or the Series 2011 Notes or any portion thereof remains outstanding within the meaning of this Master Indenture."

ARTICLE VIII

MISCELLANEOUS

Section 801. Note Register. The Master Trustee shall keep on file at its designated corporate trust office the Note Register relating to the Series 2011 Notes indicating the names and addresses of the owners of the Series 2011 Notes and the serial numbers of such Series 2011 Notes held by each of such owners. At reasonable times and under reasonable regulations established by the Master Trustee, the Note Register may be inspected and copied by the Obligated Group or the authorized representative of any owner or owners of 15% or more in principal amount of the Series 2011 Notes then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Master Trustee.

Section 802. Execution of this First Supplemental Master Indenture. This First Supplemental Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 803. Continuation of Rights of the Master Trustee. The recitals in this First Supplemental Master Indenture are made by each of the Members of the Obligated Group only and not by the Master Trustee. All of the provisions contained in the Master Indenture in respect of the rights, privileges, immunities, powers and duties of the Master Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

Section 804. Ratification of Original Master Indenture. In all respects not inconsistent with the terms and provisions of this First Supplemental Master Indenture, the Original Master Indenture as heretofore and hereby amended and supplemented is hereby ratified, approved and confirmed.

Section 805. Severability. If any provision of this First Supplemental Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this First Supplemental Master Indenture contained shall not affect the remaining portions of this First Supplemental Master Indenture or any part thereof.

Section 806. Applicable Law. This First Supplemental Master Indenture and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and WELLS FARGO BANK, N.A. has caused this First Supplemental Master Indenture to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

Exhibit A

Form of Series 2011 Note

[This Obligation has not been registered under the Securities Act of 1933, as amended].

BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP
TAXABLE NOTE, SERIES 2011

No. R-1 $_____

MATURITY DATE	ORIGINAL ISSUE DATE:	CUSIP
August 15, _____	May __, 2011	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

INTEREST RATE:

BAPTIST HEALTH SOUTH FLORIDA, INC. (*"BHSF"*), Baptist Hospital of Miami, Inc. (*"Baptist Hospital"*), Baptist Outpatient Services, Inc. (*"BOS"*), Doctors Hospital, Inc. (*"Doctors Hospital"*), Homestead Hospital, Inc. (*"Homestead Hospital"*), Mariners Hospital Inc. (*"Mariners Hospital"*), South Miami Hospital, Inc. (*"South Miami Hospital"*) and West Kendall Baptist Hospital, Inc. (*"West Kendall Baptist Hospital"*), each a Florida not for profit corporation duly organized and validly existing under the laws of the State of Florida, for value received hereby jointly and severally promise to pay in lawful money of the United States of America to the registered owner named above, or registered assigns, upon surrender, the principal amount specified above, and to pay interest on such principal amount in like manner on each February 15 and August 15 commencing August 15, 2011 (or on the next succeeding Business Day if such February 15 or August 15 is not a Business Day) at the Interest Rate set forth above (calculated on the basis of a 360 day year composed of twelve 30-day months) as provided in the Master Indenture (as hereafter defined), until payment of the principal amount or provision therefore shall have been made on the Maturity Date, upon redemption or acceleration or otherwise.

The principal of and interest on this Series 2011 Note are payable, except as otherwise provided in the First Supplemental Master Indenture (as hereafter defined) at the designated

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Master Trustee or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co. has an interest herein.

corporate trust office (initially the principal corporate trust office in Jacksonville, Florida) of Wells Fargo Bank, N.A., the master trustee (the *"Master Trustee"*) under the Master Indenture (as hereafter defined) or at the office of any successor master trustee under the Master Indenture, by check or draft hand delivered to the holder hereof or by wire transfer to any holder of $1,000,000 or more in aggregate principal amount of Series 2011 Notes, in either case delivered on the date each such payment is due.

This Series 2011 Note is issued under and secured by and entitled to the security of a Master Trust Indenture dated as of May 1, 2007 (the "*Original Master Indenture*" and, as supplemented and amended by the First Supplemental Master Trust Indenture dated as of May 1, 2011 (the *"First Supplemental Master Indenture"* and as it may be further supplemented and amended from time to time, the *"Master Indenture"*), duly executed and delivered by the Members of the Obligated Group to Wells Fargo Bank, N.A. BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Baptist Hospital are the current Members of the Obligated Group (as such terms are defined in the Master Indenture). Members of the Obligated Group jointly and severally agree under the Master Indenture to be liable on all Obligations issued under the Master Indenture (including this Series 2011 Note). It is provided in the Master Indenture that the current and any future Members of the Obligated Group may hereafter issue Additional Obligations (as defined in the Master Indenture) from time to time, and if issued, such Additional Obligations will rank pari passu with this Series 2011 Note and all other Obligations theretofore or thereafter issued under the Master Indenture, except as otherwise provided in the Master Indenture. Reference is made to the Master Indenture, to all indentures supplemental thereto and to all amendments thereto for the provisions, among others, with respect to the nature and extent of the security for this Series 2011 Note, the rights, duties and obligations of the Members of the Obligated Group and the Master Trustee and the rights of the holders of this Series 2011 Note, and to all the provisions of which the holder hereof by the acceptance of this Series 2011 Note assents.

This Series 2011 Note is transferable by the registered holder hereof in person or by duly authorized attorney at the principal corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Series 2011 Note. Upon such transfer a new registered Series 2011 Note or Notes without coupons of the same maturity and of Authorized Denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

The Series 2011 Notes are subject to optional redemption prior to their maturity at the option of the Obligated Group Agent, in whole or in part on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Series 2011 Notes to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2011 Notes, not including any

portion of those payment of interest accrued and unpaid as of the date on which the Series 2011 Notes are to be redeemed, discounted to the date on which the Series 2011 Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 22 basis points;

plus in each case, accrued interest on the Series 2011 Notes to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2011 Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2011 Note; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be the "Treasury Rate."

At the request of the Master Trustee to the Obligated Group Agent, the redemption price of the Series 2011 Notes to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Obligated Group Agent at the Obligated Group's expense to calculate such redemption price. The Master Trustee and the Obligated Group may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

The provisions of Sections 410 and 411 of the Original Master Indenture notwithstanding, the Series 2011 Notes are not subject to redemption in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof or condemnation or sale consummated under threat of condemnation of the Facilities of any Member or any part thereof.

Notice of the call for redemption of Series 2011 Notes shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 30 or more than 60 days prior to the redemption date to the registered owners of the Series 2011 Notes to be redeemed to the address shown on the Note Register, provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2011 Notes will not affect the validity of any proceedings for redemption as to any other Series 2011 Notes with respect to which notice was properly given to the holder thereof. Prior to the date that the redemption notice is first mailed as aforesaid, funds shall be placed with the Master Trustee to pay the principal of such Series 2011 Notes, the accrued and unpaid interest thereon to the redemption date and the premium, if any, thereon or such notice of redemption shall state that any redemption is conditional on such funds being deposited with the Master Trustee on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Master Indenture.

This Series 2011 Note is subject to advance defeasance of the Master Indenture by depositing Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding under the Master Indenture at or before their maturity date. The Members shall remain the obligors on such Obligations but the holders thereof shall be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Members may also pay or provide for the payment of the entire indebtedness on this Series 2011 Note or any portion of this Series 2011 Note by depositing Escrow Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on this Series 2011 Note or a portion of this Series 2011 Note at or before its maturity date. Upon such deposit, this Series 2011 Note or portion of this Series 2011 Note shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on such Series 2011 Note but the holders thereof shall be entitled to payment (to the exclusion of all other Note holders) solely out of such funds received from such Escrow Obligations. The Members may pay or provide for the payment of all or a part of the indebtedness on Obligations of a particular series other than this Series 2011 Note, as described in the Master Indenture.

The holder of this Series 2011 Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

This Series 2011 Note is an Accelerable Instrument (as defined in the Master Indenture) and, so long as this Series 2011 Note is held in a book-entry only system, the holder hereof has the right under the Master Indenture to request an acceleration of this Series 2011 Note upon the occurrence of an event of default described in Section 502 of the Master Indenture. If this Series 2011 Note is not held in a book-entry only system, such a request for acceleration may only be made by the holders of a majority in aggregate principal amount of the Series 2011 Notes then outstanding.

In certain events (including without limitation the occurrence of an "event of default" as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the outstanding principal of this Series 2011 Note may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Master Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Series 2011 Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2011 Note have been duly authorized by resolutions of BHSF and the other Members of the Obligated Group duly adopted.

No recourse shall be had for the payment of the principal or interest on this Series 2011 Note or for any claim based hereon or upon any obligation, covenant or agreement in the Master Indenture contained against any past, present or future officer, trustee, director, member, employee or agent of any Member of the Obligated Group, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Series 2011 Note.

BHSF, on behalf of itself and the other Members, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Members.

This Series 2011 Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the certificate of authentication hereon shall have been duly executed by the Master Trustee.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused this Series 2011 Note to be executed in its name and on its behalf by its Executive Vice President and Chief Financial Officer as of this ____ day of May, 2011.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

This Series 2011 Note is one of the Obligations described in the within-mentioned Master Indenture.

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

Exhibit B

Blanket Letter of Representations from Baptist Health South Florida, Inc. to The Depository Trust Company

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by issuer and Co-Issuer(s), if applicable)

Baptist Health South Florida, Inc.
(Name of Issuer and Co-Issuer(s), if applicable)

May 24, 2011
(Date)

Attention: Underwriting Department
The Depository Trust Company
55 Water Street, 15L
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] ~~[formed under the laws of]~~ State of Florida.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Baptist Health South Florida, Inc.
(Issuer)

By _____
(Authorized Officer's Signature)

Ralph E. Lewson
(Print Name)

6855 Red Road, Suite 600
(Street Address)

Coral Gables, Florida United States 33143
(City) (State) (Country) (Zip Code)

(786) 662-7189
(Phone Number)

ralphl@baptisthealth.net
(Email Address)

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: _____

DTCC.
The Depository Trust & Clearing Corporation

BLOR 03/25/08

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

SECOND SUPPLEMENTAL MASTER TRUST INDENTURE

Dated as of December 21, 2011

AMONG

BAPTIST HEALTH SOUTH FLORIDA, INC.,
BAPTIST HOSPITAL OF MIAMI, INC.,
BAPTIST OUTPATIENT SERVICES, INC.,
DOCTORS HOSPITAL, INC.,
HOMESTEAD HOSPITAL INC.,
MARINERS HOSPITAL, INC.,
SOUTH MIAMI HOSPITAL, INC.,
WEST KENDALL BAPTIST HOSPITAL, INC.

AND

WELLS FARGO BANK, N.A.,
as Master Trustee

Supplementing and amending the Master Trust Indenture
dated as of May 1, 2007, and providing for
the issuance of a Direct Note Obligation

Note Obligation, Taxable Commercial Paper
(Series 2011 Program)

This Instrument was prepared by:

Lynn Leland Coe
Michael J. Mitchell
Jones Day
77 West Wacker
Chicago, Illinois 60601-1692

TABLE OF CONTENTS

Page

(This Table of Contents is not a part of this Second Supplemental Master Trust Indenture and is only for convenience of reference).

ARTICLE I DEFINITIONS OF TERMS 2
Section 101. Definitions 2
ARTICLE II REPRESENTATIONS OF OBLIGATED GROUP MEMBERS 3
Section 201. Representations of the Obligated Group Members 3
ARTICLE III CREATION OF THE 2011 Master Note 4
Section 301. Issuance of the 2011 Master Note 4
Section 302. Execution 4
Section 303. Conditions Precedent to Delivery of 2011 Master Note 5
Section 304. Delivery 5
Section 305. Method of Payment 5
ARTICLE IV AMENDMENT TO ORIGINAL MASTER INDENTURE 5
Section 401. Amendment to Section 405 of the Original Master Indenture 5
ARTICLE V MISCELLANEOUS 6
Section 501. Agreement to Comply with Resolution 6
Section 502. Further Assurances 6
Section 503. Severability of Invalid Provision 6
Section 504. Continuation of Rights of the Master Trustee 6
Section 505. Ratification of Master Indenture 6
Section 506. Applicable Law 6

This Second Supplemental Master Trust Indenture dated as of December 21, 2011 (the *"Second Supplemental Master Indenture"*) among Baptist Health South Florida, Inc. (*"BHSF"*), Baptist Hospital of Miami, Inc. (*"Baptist Hospital"*), Baptist Outpatient Services, Inc. (*"BOS"*), Doctors Hospital, Inc. (*"Doctors Hospital"*), Homestead Hospital, Inc. (*"Homestead Hospital"*), Mariners Hospital Inc. (*"Mariners Hospital"*), South Miami Hospital, Inc. (*"South Miami Hospital"*) and West Kendall Baptist Hospital, Inc. (*"West Kendall Baptist Hospital"*), each a Florida not for profit corporation duly organized and validly existing under the laws of the State of Florida and the current Members of the Obligated Group, and Wells Fargo Bank, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its designated corporate trust office currently at 225 Water Street, Suite 410, Jacksonville, Florida, as master trustee (the *"Master Trustee"*), supplementing and amending the Original Master Indenture (as hereinafter defined), as heretofore supplemented and amended;

WITNESSETH:

WHEREAS, the Members of the Obligated Group (as defined in the Original Master Indenture) are authorized by law, and deem it necessary and desirable, that they be able to issue direct note obligations (the *"Obligations"*) of several series in order to secure the financing or refinancing of health care facilities and for other lawful and proper corporate purposes; and

WHEREAS, the Members of the Obligated Group have heretofore executed and delivered to the Master Trustee that certain Master Trust Indenture dated as of May 1, 2007 (the *"Original Master Indenture"* and, as supplemented and amended by the First Supplemental Master Trust Indenture dated as of May 1, 2011 (the *"First Supplemental Master Indenture"*) and this Second Supplemental Master Trust Indenture (the *"Second Supplemental Master Indenture"*) and as it may be further supplemented and amended from time to time, (the *"Master Indenture"*)) for the purpose of providing for the issuance of Obligations of various series, without limit as to principal amount except as stated therein; and

WHEREAS, all acts and things necessary to make the Obligations of each series, when authorized and executed by any Member of the Obligated Group and authenticated and delivered by the Master Trustee as provided in the Master Indenture, the valid, binding and legal obligations of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed and the execution of this Second Supplemental Master Indenture and the issuance hereunder of BHSF's $150,000,000 Note Obligation, Taxable Commercial Paper (Series 2011 Program) (the *"2011 Master Note"*) have in all respects been duly authorized, the Members of the Obligated Group in the exercise of their respective legal rights and powers, execute this Second Supplemental Master Indenture and BHSF proposes to make, issue and execute the 2011 Master Note, and the 2011 Master Note when executed and delivered by BHSF shall constitute the valid and binding, joint and several obligation of each Member; and

WHEREAS, the 2011 Master Note is being issued in connection with the issuance by BHSF of its Taxable Commercial Paper Notes (the *"Notes"*) pursuant to a Commercial Paper Note Resolution dated October 25, 2011 (the *"Resolution"*); and

WHEREAS, issuance and payment of the Notes will be administered pursuant to the terms of that certain Issuing and Paying Agency Agreement dated December 21, 2011 (the *"Issuing and Paying Agency Agreement"*) between BHSF and Wells Fargo Bank, N.A., as agent (the *"Agent"*); and

WHEREAS, the 2011 Master Note will be delivered to the Agent to secure the obligation of BHSF to pay the Notes as they mature; and

WHEREAS, Section 701(g) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of issuing Additional Obligations (as defined in the Master Indenture); and

WHEREAS, Section 701(j) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of permitting an Obligation to be secured by security which is not extended to all Obligation holders.

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL MASTER INDENTURE WITNESSETH:

ARTICLE I
DEFINITIONS OF TERMS

Section 101. Definitions. All capitalized terms used herein but not defined herein have the meanings ascribed to them in the Original Master Indenture. The following words and terms used in this Second Supplemental Master Indenture have the following meanings unless the context or use indicates another or different meaning or intent:

"*2011 Master Note*" means the $150,000,000 Note Obligation, Taxable Commercial Paper (Series 2011 Program).

"*Agent*" or "*Issuing and Paying Agent*" means, Wells Fargo Bank, N.A., as agent under the Issuing and Paying Agency Agreement.

"*BHSF Representative*" means the President, any Executive Vice President, the Chief Financial Officer and the Vice President of Finance of BHSF and any other person at the time designated to act on behalf of BHSF in a written certificate furnished to the Issuing and Paying Agent, which certificate shall contain the specimen signature(s) of such person(s) and shall be signed on behalf of BHSF by its President.

"*Dealer*" means, initially, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and, from time to time, any other dealer appointed pursuant to Section 7.2 of the Resolution, and their respective successors.

"*Dealer Agreement*" means each dealer agreement entered into by BHSF and a Dealer, as amended, modified or supplemented from time to time, including without limitation the Dealer Agreement dated December 21, 2011 between BHSF and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"*Debt Service Fund*" means the fund established and so designated pursuant to Section 3.1 of the Resolution.

"*Designated Office*" means (i) when used with reference to the Master Trustee, the corporate trust office of the Master Trustee designated as such, (ii) when used with reference to the Issuing and Paying Agent, the corporate trust office of the Issuing and Paying Agent designated as such, and (iii) when used with reference to the Dealer, the office of the Dealer designated as such. Initially, with respect to the Master Trustee, the office located at the address set forth in the first paragraph hereof and, with respect to the Issuing and Paying Agent and the Dealer, the office located at the respective addresses set forth in Section 13 of the Issuing and Paying Agency Agreement, shall be its Designated Office.

"*DTC*" means The Depository Trust Company, New York, New York.

"Issuing and Paying Agency Agreement" means the Issuing and Paying Agency Agreement dated December 21, 2011 between BHSF and the Issuing and Paying Agent.

"*Letter of Representations*" means the Letter of Representations to be dated on or about the date of initial delivery of the Notes, entered into between BHSF, the Issuing and Paying Agent and DTC, and any other agreement entered into between BHSF, the Issuing and Paying Agent and any other Securities Depository pursuant hereto.

"Maximum Aggregate Principal Amount" means $150,000,000, unless such amount shall be increased pursuant to an amendment to the Resolution.

"Note Order" means an order executed by a BHSF Representative or the Dealer (acting upon the direction of BHSF) directing the authentication and delivery of Notes in accordance with Section 2.7 of the Resolution.

"Notes" means the taxable commercial paper notes issued by BHSF pursuant to the Resolution.

Offering Memorandum" means the offering memorandum with respect to the Notes.

"Refunding Note" means a Note issued to refund an outstanding Note.

"Resolution" means the Commercial Paper Note Resolution of BHSF adopted October 25, 2011.

"*State*" means the State of Florida.

ARTICLE II
REPRESENTATIONS OF OBLIGATED GROUP MEMBERS

Section 201. Representations of the Obligated Group Members. The Obligated Group Members represent and warrant that all representations and warranties of the Members of the Obligated Group contained in Section 403 of the Original Master Indenture are true and correct on the date hereof with the same effect as if said representations and warranties were made by

them herein on and as of the date hereof, provided that the references to the Master Indenture shall be deemed to include all supplements thereto including this Second Supplemental Master Indenture and the reference to the Series 2007 Obligation shall be deemed to include the 2011 Master Note.

ARTICLE III
CREATION OF THE 2011 MASTER NOTE

Section 301. Issuance of the 2011 Master Note. (A) There is hereby authorized and created a series of Obligations to be known as and designated "Note Obligation, Taxable Commercial Paper (Series 2011 Program)" in the form set forth in Exhibit A hereto which shall be executed, authenticated and delivered in accordance with Article II of the Master Indenture and this Article III.

(B) The 2011 Master Note shall be issued in the principal amount of $150,000,000.

(C) The 2011 Master Note shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1, and shall be dated its date of issuance.

(D) The 2011 Master Note shall be registered in the name of the Agent.

(E) The 2011 Master Note shall not bear interest.

(F) The principal on the 2011 Master Note shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(G) The 2011 Master Note shall not be subject to redemption prior to maturity.

(H) The 2011 Master Note shall be an Accelerable Instrument.

Section 302. Execution. (A) The 2011 Master Note and the certificate of authentication to appear thereon shall be substantially in the forms set forth in *Exhibit A* hereto, with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Second Supplemental Master Indenture.

(B) The 2011 Master Note shall be executed by the manual or facsimile signatures of a BHSF Representative. In the event any one or more of the officers, who shall have signed the 2011 Master Note, shall cease to be such officer before the 2011 Master Note so signed has been actually sold and delivered, such 2011 Master Note may nevertheless be sold and delivered as provided herein and may be issued as if the person who signed such 2011 Master Note had not ceased to hold such office.

(C) The 2011 Master Note shall not be entitled to any right or benefit under this Second Supplemental Master Indenture, or be valid or obligatory for any purpose, unless there appears on such 2011 Master Note a certificate of authentication substantially in the form provided in Exhibit A executed by the Master Trustee by manual signature.

Section 303. Conditions Precedent to Delivery of 2011 Master Note. On or before the date on which the 2011 Master Note is first delivered hereunder, the following shall be delivered to the Master Trustee:

(A) executed counterparts of the Second Supplemental Master Indenture, the Issuing and Paying Agency Agreement and the initial Dealer Agreement, each fully executed by the parties thereto;

(B) all materials required to be delivered as a condition precedent to the incurrence of Additional Indebtedness evidenced by the 2011 Master Note in an amount equal to the Maximum Aggregate Principal Amount;

(C) a fully executed copy of the Letter of Representations;

(D) An opinion of Independent Counsel to BHSF in substantially the form set forth in *Exhibit B* to the Resolution; and

(E) Such other documents, certificates and opinions as BHSF, counsel to BHSF, the Issuing and Paying Agent, the Issuing and Payment Agent's Counsel, the Dealer or the Dealer's counsel may reasonably require.

Section 304. Delivery. In order to provide for the establishment of the Series 2011 Program, the 2011 Master Note will be executed, authenticated and delivered to the Master Trustee for safekeeping on or prior to the date hereof. However, the 2011 Master Note will not be dated until the date of issuance of the first Notes to holders other than the DTC. On such date, if all conditions to delivery thereof set forth in Section 303 hereof have been satisfied, the Master Trustee is hereby authorized and directed to date the 2011 Master Note as of such date and deliver the 2011 Master Note to the Issuing and Paying Agent in connection with the issuance of such Notes.

Section 305. Method of Payment. BHSF elects to make payments on the 2011 Master Notes by depositing payments thereon in the Debt Service Fund. Each payment shall be made by wire transfer to the Agent. Each such payment with respect to any 2011 Master Note shall be due and owing on the maturity date of each Note. BHSF shall receive a credit with respect to the amount due on each maturity date of a Note to the extent proceeds of the sale of Refunding Notes are deposited in the Debt Service Fund.

ARTICLE IV
AMENDMENT TO ORIGINAL MASTER INDENTURE

Section 401. Amendment to Section 405 of the Original Master Indenture. Pursuant to Section 701(j) of the Original Master Indenture, Section 405 of the Original Master Indenture as heretofore amended is hereby amended by inserting the following at the end of such Section:

> "The foregoing notwithstanding, Baptist Hospital agrees that it will be a Member of the Obligated Group so long as the 2011 Master Note or any portion thereof remains outstanding within the meaning of this Master Indenture."

The amendment made pursuant to this Section 401 shall remain in effect so long as the 2011 Master Note or any portion thereof remains outstanding and may be enforced solely by the Issuing and Paying Agent, as holder of the 2011 Master Note.

ARTICLE V
MISCELLANEOUS

Section 501. Agreement to Comply with Resolution. BHSF, on its behalf and on behalf of the other Members of the Obligated Group, agrees, for the benefit of the holders of the Notes, to comply with the covenants, terms and conditions of the Resolution.

Section 502. Further Assurances. BHSF shall, so far as it may be authorized by law, adopt, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular the rights and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which BHSF may hereafter become bound to pledge or assign.

Section 503. Severability of Invalid Provision. If any one or more of the covenants or agreements provided in this Second Supplemental Master Indenture on the part of BHSF or the Issuing and Paying Agent to be performed should be contrary to law, then such covenant or agreement shall be null and void and shall in no way affect the validity of the other provisions of this Second Supplemental Master Indenture or of the 2011 Master Note.

Section 504. Continuation of Rights of the Master Trustee. The recitals in this Second Supplemental Master Indenture are made by BHSF and each of the other Members of the Obligated Group only and not by the Master Trustee; and all of the provisions contained in the Master Indenture in respect of the rights, privileges, immunities, powers and duties of the Master Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

Section 505. Ratification of Master Indenture. In all respects not inconsistent with the terms and provisions of this Second Supplemental Master Indenture, the Master Indenture as heretofore and hereby amended and supplemented is hereby ratified, approved and confirmed.

Section 506. Applicable Law. This Second Supplemental Master Indenture and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and WELLS FARGO BANK, N.A. has caused this Second Supplemental Master Indenture to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A., as Master Trustee

By _____
Vice President

Exhibit A

SPECIMEN 2011 MASTER NOTE

BAPTIST HEALTH SOUTH FLORIDA, INC.
NOTE OBLIGATION, TAXABLE COMMERCIAL PAPER
(SERIES 2011 PROGRAM)

$150,000,000

DATE OF ISSUANCE	MATURITY DATE
_____,____	December 21, 2041

FOR VALUE RECEIVED, Baptist Health South Florida, Inc., a Florida not for profit corporation (*"BHSF"*), promises to pay, on the maturity date hereof, to Wells Fargo Bank, N.A., as issuing and paying agent, or registered assigns (the *"Holder"*), the principal amount hereof and to pay such principal amount or any lesser amount due on the due date of each CP Note (as hereinafter defined). Payments shall be made by wire transfer to the Issuing and Paying Agent without the necessity of presentation and surrender of this 2011 Master Note. This 2011 Master Note is issued pursuant to BHSF's Master Trust Indenture dated as of May 1, 2007 among BHSF, the other Members of the Obligated Group (as defined therein) and Wells Fargo Bank, N.A., as Master Trustee, as amended or supplemented from time to time (collectively, the *"Master Indenture"*) including, without limitation by the Second Supplemental Master Trust Indenture dated as of December 21, 2011 among such parties (the *"Second Supplemental Master Indenture"*).

This 2011 Master Note secures the payment of BHSF's Taxable Commercial Paper Notes (the *"Notes"*) issued pursuant to a Commercial Paper Note Resolution dated October 25, 2011 and the Master Note, as defined in the Commercial Paper Note Resolution.

The 2011 Master Note and all other payment obligations under the Second Supplemental Master Indenture are general obligations of BHSF and the other Members of the Obligated Group for the payment of which its general credit and the general credit of the Obligated Group are pledged.

This 2011 Master Note has been issued by BHSF pursuant to the Second Supplemental Master Indenture and authenticated by the Issuing and Paying Agent pursuant to the Second Supplemental Master Indenture, and is entitled to the benefits of the Master Indenture.

This 2011 Master Note is transferable by the registered holder hereof in person or by duly authorized attorney at the designated corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this 2011 Master Note. Upon such transfer a new registered 2011 Master Note or 2011 Master Notes without coupons of the same maturity and of Authorized Denominations, for the same aggregate principal amount, will be issued to the

transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

The 2011 Master Note is not subject to optional redemption prior to its maturity.

This 2011 Master Note is subject to advance defeasance of the Master Indenture by depositing Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding under the Master Indenture at or before their maturity date. The Members shall remain the obligors on such Obligations but the holders thereof shall be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Members may also pay or provide for the payment of the entire indebtedness on this 2011 Master Note or any portion of this 2011 Master Note by depositing Escrow Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on this 2011 Master Note or a portion of this 2011 Master Note at or before its maturity date. Upon such deposit, this 2011 Master Note or portion of this 2011 Master Note shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on such 2011 Master Note but the holders thereof shall be entitled to payment (to the exclusion of all other Note holders) solely out of such funds received from such Escrow Obligations. The Members may pay or provide for the payment of all or a part of the indebtedness on Obligations of a particular series other than this 2011 Master Note, as described in the Master Indenture.

The holder of this 2011 Master Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

This 2011 Master Note is an Accelerable Instrument (as defined in the Master Indenture) and.

In certain events (including without limitation the occurrence of an "event of default" as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the outstanding principal of this 2011 Master Note may become or may be declared due and payable before the stated maturity thereof. Modifications or alterations of the Master Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this 2011 Master Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this 2011 Master Note have been duly authorized by resolutions of BHSF and the other Members of the Obligated Group duly adopted.

No recourse shall be had for the payment of the principal or interest on this 2011 Master Note or for any claim based hereon or upon any obligation, covenant or agreement in the Master Indenture contained against any past, present or future officer, trustee, director, member, employee or agent of any Member of the Obligated Group, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this 2011 Master Note.

BHSF, on behalf of itself and the other Members, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Members.

This 2011 Master Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the certificate of authentication hereon shall have been duly executed by the Master Trustee.

This 2011 Master Note and all instruments securing the same are to be construed according to the laws of the State of Florida.

BAPTIST HEALTH SOUTH FLORIDA, INC., individually and as Obligated Group Agent

By:_____
Its: Executive Vice President and Chief Financial Officer

Countersigned for Authentication only:

This 2011 Master Note is one of the Obligations described in the within mentioned Master Indenture

WELLS FARGO BANK, N.A., as Master Trustee

By:_____
Authorized Agent

THIS NOTE IS NOT VALID FOR ANY PURPOSE UNLESS COUNTERSIGNED BY WELLS FARGO BANK, N.A., MASTER TRUSTEE.

CHI-1789494v15

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

THIRD SUPPLEMENTAL MASTER TRUST INDENTURE

Dated as of January 1, 2017

Among

BAPTIST HEALTH SOUTH FLORIDA, INC.,
BAPTIST HOSPITAL OF MIAMI, INC.,
BAPTIST OUTPATIENT SERVICES, INC.,
DOCTORS HOSPITAL, INC.,
HOMESTEAD HOSPITAL, INC.,
MARINERS HOSPITAL, INC.,
SOUTH MIAMI HOSPITAL, INC.
and
WEST KENDALL BAPTIST HOSPITAL, INC.

and

WELLS FARGO BANK, N.A.,
as Master Trustee

Supplementing and amending the Master Trust Indenture
dated as of May 1, 2007, and providing for
the issuance of Additional Direct Note Obligations

$250,000,000 Baptist Health South Florida Obligated Group
Taxable Notes, Series 2017

This Instrument was prepared by:

David J. Kates
Michael J. Mitchell
Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603-4080

TABLE OF CONTENTS

(This Table of Contents is not a part of this Third Supplemental
Master Trust Indenture and is only for convenience of reference).

ARTICLE I. DEFINITIONS OF TERMS 2

Section 101. Definitions. 2

ARTICLE II. REPRESENTATIONS OF THE OBLIGATED GROUP MEMBERS 4

Section 201. Representations of the Obligated Group Members. 4

ARTICLE III. CREATION OF THE SERIES 2017 NOTES 4

Section 301. Issuance of the Series 2017 Notes. 4

ARTICLE IV. BOOK ENTRY 7

Section 401. Book-Entry Only System. 7
Section 402. Successor Securities Depository; Transfers Outside Book-Entry Only System. 7
Section 403. Payments and Notices to Cede & Co. 8

ARTICLE V. FUNDS 8

Section 501. Disbursement Fund. 8
Section 502. Costs of Issuance Fund. 8
Section 503. Interest Fund. 9
Section 504. Sinking Fund. 9
Section 505. Redemption Fund. 10
Section 506. Investment of Funds. 10

ARTICLE VI. REDEMPTION OF SERIES 2017 NOTES 10

Section 601. Redemption Dates and Prices. 10
Section 602. Notice of Redemption; Effect. 11
Section 603. Cancellation. 12

ARTICLE VII. AMENDMENTS TO ORIGINAL MASTER INDENTURE 12

Section 701. Amendment to Section 401 of the Original Master Indenture. 12
Section 702. Amendment to Section 405 of the Original Master Indenture. 12
Section 703. Amendment to Section 414 of the Original Master Indenture. 13

ARTICLE VIII. AMENDED AND RESTATED MASTER INDENTURE 13

Section 801. Amendment and Restatement of the Master Indenture. 13

ARTICLE IX. MISCELLANEOUS 13

Section 901. Note Register. 13
Section 902. Execution of This Third Supplemental Master Indenture. 14
Section 903. Continuation of Rights of the Master Trustee. 14
Section 904. Ratification of Original Master Indenture. 14
Section 905. Severability. 14
Section 906. Applicable Law. 14

EXHIBIT A — FORM OF SERIES 2017 NOTE
EXHIBIT B — BLANKET LETTER OF REPRESENTATIONS FROM BAPTIST HEALTH SOUTH FLORIDA, INC. TO THE DEPOSITORY TRUST COMPANY
EXHIBIT C — FORM OF COST OF ISSUANCE REQUISITION
EXHIBIT D — PROPOSED FORM OF AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS THIRD SUPPLEMENTAL MASTER TRUST INDENTURE dated as of January 1, 2017 (the *"Third Supplemental Master Indenture"*) among BAPTIST HEALTH SOUTH FLORIDA, INC. (*"BHSF"*), BAPTIST HOSPITAL OF MIAMI, INC. (*"Baptist Hospital"*), BAPTIST OUTPATIENT SERVICES, INC. (*"BOS"*), DOCTORS HOSPITAL, INC. (*"Doctors Hospital"*), HOMESTEAD HOSPITAL, INC. (*"Homestead Hospital"*), MARINERS HOSPITAL, INC. (*"Mariners Hospital"*), SOUTH MIAMI HOSPITAL, INC. (*"South Miami Hospital"*) and WEST KENDALL BAPTIST HOSPITAL, INC. (*"West Kendall Baptist Hospital"*), each a Florida not for profit corporation duly organized and validly existing under the laws of the State of Florida and the current Members of the Obligated Group created under the hereinafter referenced Original Master Indenture, and WELLS FARGO BANK, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its designated corporate trust office currently at 123 S. Broad Street, Suite 1500, Philadelphia, Pennsylvania, as master trustee (the *"Master Trustee"*), supplementing and amending the Original Master Indenture (as hereinafter defined);

W I T N E S S E T H:

WHEREAS, the Members of the Obligated Group (as defined in the hereinafter referenced Original Master Indenture) are authorized by law and deem it necessary and desirable that they be able to issue direct note obligations (the *"Obligations"*) of several series in order to secure the financing or refinancing of health care facilities and for other lawful and proper corporate purposes; and

WHEREAS, the Members of the Obligated Group have heretofore executed and delivered to the Master Trustee that certain Master Trust Indenture dated as of May 1, 2007, as previously supplemented and amended (the *"Original Master Indenture"* and, as supplemented and amended by this Third Supplemental Master Indenture and as it may be further supplemented and amended from time to time, the *"Master Indenture"*) for the purpose of providing for the issuance of Obligations of various series, without limit as to principal amount except as stated therein; and

WHEREAS, all acts and things necessary to make the Obligations of each series, when authorized and executed by any Member of the Obligated Group and authenticated and delivered by the Master Trustee as provided in the Master Indenture, the valid, binding and legal joint and several obligation of each Member of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed and the execution of this Third Supplemental Master Indenture and the issuance hereunder of the Obligated Group's $250,000,000 Baptist Health South Florida Obligated Group Taxable Notes, Series 2017 (the *"Series 2017 Notes"*), have in all respects been duly authorized, and the Members of the Obligated Group, in the exercise of their respective legal rights and powers, execute this Third Supplemental Master Indenture and BHSF, on behalf of itself and the other Members of the Obligated Group, proposes to make, issue and execute the Series 2017 Notes; and

WHEREAS, the Members of the Obligated Group have determined that the Series 2017 Notes may be issued without coupons and that the form of such Series 2017 Notes and the Master

Trustee's certificate of authentication to be endorsed thereon are to be in substantially the form set forth in *Exhibit A* hereto, with such modifications, insertions, omissions and changes as are required or permitted by the provisions of the Master Indenture; and

WHEREAS, Section 701(g) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of issuing Additional Obligations (as defined in the Master Indenture); and

WHEREAS, Section 701(b) of the Original Master Indenture permits amendments to the Master Indenture without consent of, or notice to, any of the Obligation holders for the purpose of adding to the covenants of the Members for the benefit of the Obligation holders; and

WHEREAS, Section 701(j) of the Original Master Indenture permits amendments to the Master Indenture without the consent of, or notice to, any of the Obligation holders for the purpose of permitting an Obligation to be secured by security which is not extended to all Obligation holders; and

WHEREAS, the Members of the Obligated Group propose to amend and restate the Master Indenture; and

WHEREAS, the amendment and restatement of the Master Indenture will become effective upon receipt by the Master Trustee of the consent of the holders of not less than 51% in aggregate principal amount of the outstanding Obligations, all in accordance with Section 702 of the Master Indenture; and

WHEREAS, by acceptance of the Series 2017 Notes, the purchasers of the Series 2017 Notes will be deemed to have consented to the amendment and restatement of the Master Indenture;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL MASTER INDENTURE WITNESSETH:

ARTICLE I.

DEFINITIONS OF TERMS

Section 101. Definitions. All capitalized terms used herein but not defined herein have the meanings ascribed to them in the Original Master Indenture.

In addition to the terms defined in the Original Master Indenture or elsewhere in this Third Supplemental Master Indenture, the following terms shall have the meanings attributed thereto:

"Authorized Denominations" means, with respect to the Series 2017 Notes, $1,000 and integral multiples thereof.

"Defaulted Interest" means interest on any Series 2017 Notes which is payable but not duly paid on the date that payment of such interest is due.

"DTC" means The Depository Trust, and its successors and assigns.

"DTC Participant" means those broker dealers, banks and other financial institutions reflected on the books of DTC for whom DTC holds Series 2017 Notes.

"Indirect Participant" means any person on behalf of whom a DTC Participant directly or indirectly holds an interest in the Series 2017 Notes.

"Interest Payment Date" means, with respect to the Series 2017 Notes, each May 15 and November 15.

"Letter of Representations" means the Blanket Letter of Representations from BHSF to DTC, in the form attached as *Exhibit B* hereto.

"Note Purchase Agreement" means the Note Purchase Agreement dated January 9, 2017 between BHSF, on its own behalf and on behalf of the other Members of the Obligated Group, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as purchaser.

"Note Register" means the registration books maintained by the Master Trustee, as registrar, with respect to the Series 2017 Notes.

"Record Date" means, with respect to the Series 2017 Notes, each May 1 or November 1 (whether or not a Business Day) next preceding each Interest Payment Date.

"Special Record Date" means, with respect to the Series 2017 Notes, the date fixed by the Master Trustee pursuant to Section 301(K) hereof for the payment of Defaulted Interest.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2017 Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2017 Notes; *provided, however,* that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be the "Treasury Rate."

ARTICLE II.

REPRESENTATIONS OF THE OBLIGATED GROUP MEMBERS

Section 201. Representations of the Obligated Group Members. The Obligated Group Members represent and warrant that all representations and warranties of the Members of the Obligated Group contained in Section 403 of the Original Master Indenture are true and correct on the date hereof with the same effect as if said representations and warranties were made by them herein on and as of the date hereof, *provided* that all references to the Master Indenture shall be deemed to include all supplements thereto, including this Third Supplemental Master Indenture, and that all references to the Series 2007 Obligation shall be deemed to also include the Series 2011 Notes and the Series 2017 Notes.

ARTICLE III.

CREATION OF THE SERIES 2017 NOTES

Section 301. Issuance of the Series 2017 Notes. (A) There is hereby created a series of Obligations to be known as and designated "Baptist Health South Florida Obligated Group Taxable Notes, Series 2017" in the form set forth in *Exhibit A* hereto and in the aggregate principal amount of $250,000,000, which shall be executed, authenticated and delivered in accordance with Article II of the Master Indenture. The Series 2017 Notes will be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated pursuant to the Note Purchase Agreement for $248,460,000, representing the proceeds of the sale of beneficial ownership interests therein ($250,000,000) less $1,540,000 in underwriter's discount. Such proceeds shall be deposited in the Series 2017 Disbursement Account created pursuant to Section 501(A) hereof.

(B) The Series 2017 Notes shall initially be issued in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the date of issuance thereof. One Series 2017 Note shall be initially registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. If BHSF is no longer participating in a book-entry system, replacement Series 2017 Notes may be issued in Authorized Denominations, which shall be numbered sequentially so as to distinguish them from the Series 2017 Notes which were previously issued.

(C) The Series 2017 Notes shall bear interest from their date of issuance (calculated on the basis a 360-day year of twelve 30-day months) at the rate of 4.342% per annum and shall mature on November 15, 2041 in the principal amount of $250,000,000.

Interest shall be payable on each May 15 and November 15 (or on the next succeeding Business Day if such May 15 or November 15 is not a Business Day), commencing May 15, 2017.

(D) The principal of, premium, if any, and interest on the Series 2017 Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(E) The Series 2017 Notes shall be subject to redemption prior to maturity as described in Article VI hereof.

(F) For so long as the Series 2017 Notes are held pursuant to a book-entry system, BHSF, as Obligated Group Agent, hereby elects on behalf of the Obligated Group, to have payments on the Series 2017 Notes made by wire transfer to the registered owner of the Series 2017 Notes, delivered on the date each such payment is due. BHSF, as Obligated Group Agent, also hereby elects on behalf of the Obligated Group, to have the Series 2017 Notes be issued initially in fully registered form exchangeable solely for fully registered Notes of such series. If the Obligated Group is no longer participating in a book-entry system, multiple Series 2017 Notes may be issued as provided in Article IV hereof. In such case, principal and interest shall be paid in accordance with Section 202 of the Original Master Indenture except as hereinafter provided. If the Series 2017 Notes are no longer held pursuant to a book-entry system, payment of the principal of and interest (other than Defaulted Interest) on any Series 2017 Notes shall be made to the person appearing on the Note Register as the registered owner thereof as of the close of business of the Master Trustee on the Record Date for such Interest Payment Date and shall be paid by check or draft of the Master Trustee mailed on the maturity or Interest Payment Date to the registered owner at such owner's address as it appears on the Note Register or at such other address as is furnished to the Master Trustee in writing by such owner no later than the Record Date. The payment of interest and principal shall be made to any owner of $1,000,000 or more in aggregate principal amount of Series 2017 Notes as of the close of business of the Master Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such owner on such Interest Payment Date upon written notice from such owner containing the wire transfer address within the continental United States to which such owner wishes to have such wire directed which written notice is received not later than the Business Day next preceding the Record Date for such interest payment date.

(G) The Series 2017 Notes shall not be issued until all conditions precedent thereto set forth herein in the Original Master Indenture and in the Note Purchase Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2017 Notes shall include, among other things:

(i) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by the Series 2017 Notes;

(ii) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of the Series 2017 Notes, if any, set forth in the Master Indenture, including herein, have been complied with and satisfied; and

(iii) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2017 Notes under the Securities Act of 1933, as amended, is not required.

(H) The Series 2017 Notes shall be Accelerable Instruments; *provided* that if the Series 2017 Notes are not held pursuant to a book-entry only system, the Series 2017 Notes may only be accelerated upon the occurrence of an event of default upon the request of the holders of a majority in aggregate principal amount of the Series 2017 Notes then Outstanding.

(I) The provisions of Section 207 of the Original Master Indenture notwithstanding, if any Member shall acquire any Series 2017 Note, such Member shall not be required to deliver such Note to the Master Trustee for cancellation and such Note shall remain outstanding within the meaning of the Master Indenture until such Note is delivered to the Master Trustee for cancellation; *provided, however,* that any such Series 2017 Notes acquired by a Member shall not be considered outstanding for purposes of any consent, approval, waiver or notice required to be given or obtained under the Master Indenture.

(J) Notice of the payment at maturity of the Series 2017 Notes shall be given in the same manner and within the same time frame as notices of prepayment or redemption pursuant to Section 302 of the Original Master Indenture; *provided, however,* that failure to give such notice by mailing or a defect in the notice or the mailing will not extend the maturity date of the Series 2017 Notes. If on the maturity date of the Series 2017 Notes, moneys for payment of principal of and interest accrued on the Series 2017 Notes are held by the Master Trustee, interest on the Series 2017 Notes shall cease to accrue, the Series 2017 Notes shall cease to be entitled to the benefit or security of the Master Indenture, except the right to receive payment from the moneys held by the Master Trustee, and the Series 2017 Notes shall be deemed paid and no longer outstanding.

(K) Defaulted Interest with respect to any Series 2017 Note shall cease to be payable to the owner of such Note on the relevant Record Date and shall be payable to the owner in whose name such Note is registered at the close of business of the Master Trustee on the Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Obligated Group Agent shall notify the Master Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2017 Note and the date of the proposed payment (which date shall be such as will enable the Master Trustee to comply with the next sentence hereof), and at the same time the Obligated Group Agent shall deposit with the Master Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Master Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the owners of the Series 2017 Notes entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Master Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Master Trustee of the notice of the proposed payment. The Master Trustee shall promptly notify the Obligated Group Agent of such Special Record Date and, in the name and at the expense of the Obligated Group Agent, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than 10 days prior to such Special Record Date to each owner of a Series 2017 Note at the address of such owner as it appears on the Note Register. Such Defaulted Interest shall be paid to the holders of the Series 2017 Notes on which such Defaulted Interest is to be paid in whose names such Series 2017 Notes are registered on such Special Record Date.

ARTICLE IV.

BOOK ENTRY

Section 401. Book-Entry Only System. It is intended that the Series 2017 Notes be registered so as to participate in a securities depository system with DTC (the "*DTC System"*), as set forth herein. One fully registered Series 2017 Note shall be initially issued and registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee for DTC. BHSF, as Obligated Group Agent, is authorized to execute and deliver, on behalf of the Obligated Group, such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations.

With respect to any Series 2017 Note registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee of DTC, the Master Trustee, BHSF and the other Members of the Obligated Group shall have no responsibility or obligation to any DTC Participant or any Indirect Participant. Without limiting the immediately preceding sentence, the Master Trustee, BHSF and the other Members of the Obligated Group shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any DTC Participant or any Indirect Participant with respect to the ownership interest in any Series 2017 Note, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than a registered owner of any Series 2017 Notes as shown in the Note Register, of any notice with respect to any Series 2017 Notes, including any notice of redemption, or (c) the payment to any DTC Participant or Indirect Participant or any other person, other than a registered owner of any Series 2017 Note as shown in the Note Register, of any amount with respect to principal of or interest on such Series 2017 Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2017 Note certificate with respect to any Series 2017 Note. Upon delivery by DTC to the Master Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2017 Notes at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Supplemental Master Indenture shall refer to such new nominee of DTC.

Section 402. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) BHSF or the entity then serving as the Obligated Group Agent determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) BHSF or the entity then serving as the Obligated Group Agent determines that it is in the best interests of the beneficial owners of the Series 2017 Notes that they be able to obtain certificated Series 2017 Notes, BHSF or the entity then serving as the Obligated Group Agent shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2017 Note certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Series 2017 Note certificates and transfer one or more separate Series 2017 Note certificates to DTC Participants having portions of a Series 2017 Note credited to their DTC accounts. In such event,

the Series 2017 Notes shall no longer be restricted to being registered on the Note Register in the name of Cede & Co., or any successor thereto, as nominee of DTC, but may be registered in the name of the successor security depository or its nominee, or in whatever name or names registered owners of Series 2017 Notes transferring or exchanging Series 2017 Notes shall designate, in accordance with the provisions hereof and of the Original Master Indenture.

Section 403. Payments and Notices to Cede & Co. Notwithstanding any other provision of the Master Indenture to the contrary, so long as any Series 2017 Note is registered in the name of Cede & Co., or any successor thereto, as nominee of DTC, all payments with respect to principal, interest and premium on such Series 2017 Note and all notices with respect to such Series 2017 Note shall be made and given, respectively, in the manner provided in the Letter of Representations. The Master Trustee shall request in each notice sent to Cede & Co. or any successor thereto, pursuant to the terms of this Third Supplemental Master Indenture that Cede & Co. or any successor thereto, forward or cause to be forwarded such notice to the DTC Participants; provided however, that the Master Trustee shall not be responsible or incur any liability for any failure to forward any such notice.

ARTICLE V.

FUNDS

Section 501. Disbursement Fund. (A) BHSF shall establish with the Master Trustee a separate account to be known as the "DISBURSEMENT FUND – Baptist Health South Florida, Series 2017" (the *"Series 2017 Disbursement Fund"*).

(B) The proceeds of the sale of the Series 2017 Notes ($248,460,000, representing the par amount of the Series 2017 Notes ($250,000,000), less $1,540,000 in underwriter's discount) shall be deposited in the Series 2017 Disbursement Fund and applied as follows:

(i) $247,862,000.00 shall be paid directly to BHSF and used for any authorized corporate purposes; and

(ii) $598,000.00 shall be deposited in the Costs of Issuance Fund created pursuant to Section 502 hereof.

(C) The Series 2017 Disbursement Fund will be eliminated immediately upon the disbursements required by Section 501(B) hereof.

Section 502. Costs of Issuance Fund. (A) BHSF shall establish with the Master Trustee a separate account to be known as the "COSTS OF ISSUANCE FUND – Baptist Health South Florida, Series 2017" (the *"Series 2017 Costs of Issuance Fund"*).

(B) A deposit shall be made to the Series 2017 Costs of Issuance Fund as provided by Section 501(B)(ii) hereof.

(C) Moneys on deposit in the Series 2017 Costs of Issuance Fund shall be disbursed to pay costs related to issuance of the Series 2017 Notes by delivery to the Master Trustee of a Costs of Issuance Requisition substantially in the form set forth in *Exhibit C* hereto.

(D) Upon payment of all cost related to the issuance of the Series 2017 Notes, the Series 2017 Costs of Issuance Fund shall be closed. Any money remaining in the Series 2017 Costs of Issuance Fund shall be transferred to the Series 2017 Interest Fund.

Section 503. Interest Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as the Series 2017 Notes are outstanding a separate account to be known as the "INTEREST FUND—Baptist Health South Florida, Series 2017" (the *"Series 2017 Interest Fund"*).

(B) On or before the third Business Day prior to each Interest Payment Date, BHSF shall deposit in the Series 2017 Interest Fund moneys in an amount which, together with any other moneys already in deposit therein and available to make such payment, is not less than the due but unpaid interest on the Series 2017 Notes on each such Interest Payment Date.

(C) Except as provided in Section 501(D) hereof, moneys in the Series 2017 Interest Fund shall be used solely for the payment of interest on the Series 2017 Notes as the same shall become due and payable on each Interest Payment Date.

(D) In connection with any partial redemption or defeasance prior to maturity of the Series 2017 Notes, the Master Trustee may, at the request of the Obligated Group Agent, use any amounts on deposit in the Series 2017 Interest Fund in excess of the amount needed to pay the interest on the Series 2017 Notes remaining outstanding on the next succeeding Interest Payment Date to pay the principal of and interest and premium, if any, on the Series 2017 Notes to be partially redeemed or defeased.

Section 504. Sinking Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as any of the Series 2017 Notes are outstanding a separate account to be known as the "SINKING FUND—Baptist Health South Florida, Series 2017" (the *"Series 2017 Sinking Fund"*).

(B) On or before the third Business Day preceding November 15, 2041, after making the deposit required by Section 501 hereof, BHSF shall deposit in the Series 2017 Sinking Fund moneys in an amount which, together with any moneys already on deposit in the Series 2017 Sinking Fund and available to make the payment, is not less than such principal becoming due on the Series 2017 Notes on November 15, 2041.

(C) Except as provided in Section 502(D), moneys in the Series 2017 Sinking Fund shall be used solely for the payment of principal of the Series 2017 Notes as the same shall become due and payable at maturity.

(D) In connection with any partial redemption or defeasance prior to maturity of the Series 2017 Notes, the Master Trustee may, at the request of the Obligated Group Agent, use any

amounts on deposit in the Series 2017 Sinking Fund in excess of the amount needed to pay the principal on the Series 2017 Notes remaining outstanding to pay the principal of and interest and premium, if any, on the Series 2017 Notes to be partially redeemed or defeased.

Section 505. Redemption Fund. (A) BHSF shall establish with the Master Trustee and maintain so long as any of the Series 2017 Notes are outstanding a separate account to be known as the "REDEMPTION FUND—Baptist Health South Florida, Series 2017" (the *"Series 2017 Redemption Fund"*). In the event of (a) prepayment by or on behalf of BHSF of amounts payable on the Series 2017 Notes or (b) deposit with the Master Trustee by the Obligated Group Agent or any other Member of moneys from any other source for redeeming Series 2017 Notes, such moneys shall be deposited in the Series 2017 Redemption Fund.

(B) Moneys on deposit in the Series 2017 Redemption Fund shall be used first to make up any deficiencies existing in the Series 2017 Interest Fund and the Series 2017 Sinking Fund (in the order listed) and second for the purchase or redemption of Series 2017 Notes in accordance with the provisions of Article VI hereof.

Section 506. Investment of Funds. (A) Moneys on deposit in the funds created under this Third Supplemental Master Indenture shall be invested as directed in an Officer's Certificate of the Obligated Group Agent in Permitted Investments. All income of the funds created under this Third Supplemental Master Indenture derived from the investment of moneys on deposit in any such funds shall remain in the specific fund where the income was earned.

(B) Unless and until the Obligated Group Agent directs the Master Trustee to invest in a different Permitted Investment, such moneys shall be invested in the Wells Fargo Treasury Plus Money Market Fund so long as such Fund satisfies the requirements of paragraph (d) of the definition of Permitted Investments. Investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Master Trustee, when authorized by the Obligated Group Agent, may trade with itself in the purchase and sale of securities or such investments; *provided, however,* that in no case shall investments be otherwise than in accordance with the investment limitations contained herein. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments.

ARTICLE VI.

REDEMPTION OF SERIES 2017 NOTES

Section 601. Redemption Dates and Prices. (A) The Series 2017 Notes are subject to optional redemption prior to their maturity at the option of the Obligated Group Agent, in whole or in part on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Series 2017 Notes to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017 Notes, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series

2017 Notes are to be redeemed, discounted to the date on which the Series 2017 Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 25 basis points;

plus in each case, accrued interest on the Series 2017 Notes to be redeemed to the redemption date.

At the written request of the Master Trustee to the Obligated Group Agent, the redemption price of the Series 2017 Notes to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Obligated Group Agent, at the Obligated Group's expense, to calculate such redemption price. The Master Trustee and the Obligated Group may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

(B) No redemption of less than all of the Series 2017 Notes at the time outstanding shall be made pursuant hereto unless the aggregate principal amount of the Series 2017 Notes to be redeemed is equal to or greater than $100,000.

(C) Series 2017 Notes may be called for redemption by the Master Trustee pursuant to this Section 601 upon receipt by the Master Trustee at least 30 days prior to the redemption date of a written request of the Obligated Group Agent requesting such redemption.

(D) In lieu of redeeming Series 2017 Notes pursuant to this Section 601, the Master Trustee shall, at the written request of the Obligated Group Agent, use such funds otherwise available hereunder for redemption of Series 2017 Notes to purchase Series 2017 Notes identified by the Obligated Group Agent in the open market at a price specified by the Obligated Group Agent not exceeding the redemption price then applicable hereunder.

(E) The provisions of Sections 410 and 411 of the Original Master Indenture notwithstanding, the Series 2017 Notes are not subject to redemption in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof or condemnation or sale consummated under threat of condemnation of the Facilities of any Member or any part thereof.

Section 602. Notice of Redemption; Effect. (A) Notice of the call for any such redemption shall state the following: (i) the name of the issue, (ii) the CUSIP number and certificate number of the Series 2017 Notes to be redeemed, (iii) the original dated date of the issue, (iv) the interest rate and maturity date of the Series 2017 Notes to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price, and (viii) the address and telephone number of the principal office of the Master Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 30 or more than 60 days prior to the redemption date to the registered owners of the Series 2017 Notes to be redeemed to the address shown on the Note Register, *provided, however,* that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2017 Notes will not affect the validity of any proceedings for redemption as to any other Series 2017 Notes with respect to which notice was properly given to the holder thereof. Prior to the date that

the redemption notice is first mailed as aforesaid, funds shall be placed with the Master Trustee to pay the redemption price of such Series 2017 Notes, or such notice of redemption shall state that any redemption is conditional on such funds being deposited with the Master Trustee on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Master Indenture.

(B) Upon the happening of the above conditions and if sufficient funds are placed with the Master Trustee by the redemption date to pay the redemption price of such Series 2017 Notes, the Series 2017 Notes, or portions thereof, thus called shall not bear interest after the applicable redemption date, shall no longer be protected by this Master Indenture and shall not be deemed to be outstanding under the provisions of this Master Indenture. The Master Trustee shall redeem, in the manner provided in this Article VI, such an aggregate principal amount of such Series 2017 Notes at the principal amount thereof plus accrued interest to the redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the written direction of the Obligated Group Agent, such funds may be invested in United States Government Obligations until needed for redemption payout.

If such conditions are not satisfied or such funds are not so deposited by such date, such Series 2017 Notes shall not be subject to redemption and the holders thereof shall have the same rights as if no such notice had been given. In such event, the Master Trustee shall promptly give notice thereof to the owners of such Series 2017 Notes by first class mail, postage prepaid.

Section 603. Cancellation. All Series 2017 Notes which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Master Trustee and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished upon written request by the Master Trustee to the Obligated Group Agent.

ARTICLE VII.

AMENDMENTS TO ORIGINAL MASTER INDENTURE

Section 701. Amendment to Section 401 of the Original Master Indenture. Pursuant to Section 701(b) of the Original Master Indenture, Section 401 of the Original Master Indenture is hereby supplemented by inserting the following at the beginning of such Section 401: "The Members of the Obligated Group agree that each Obligation issued under the Master Indenture shall constitute a general obligation of each Member of the Obligated Group secured to the extent provided in the Master Indenture."

Section 702. Amendment to Section 405 of the Original Master Indenture. Pursuant to Section 701(j) of the Original Master Indenture, the last paragraph of Section 405 of the Original Master Indenture is amended in its entirety to read as follows:

> "The foregoing notwithstanding, Baptist Hospital agrees that it will be a Member of the Obligated Group so long as any of the Series 2007 Obligation, the Series 2011 Notes or the Series 2017

Notes, or any portion of any of the foregoing remains outstanding within the meaning of this Master Indenture."

Section 703. Amendment to Section 414 of the Original Master Indenture. Pursuant to Section 701(j) of the Original Master Indenture, the following is added to the end of Section 414 of the Original Master Indenture:

> "Within 15 days of the written request of a beneficial holder of the Series 2017 Notes, the Obligated Group Agent shall also furnish the financial information provided in to the Master Trustee pursuant to this Section 414 to such beneficial holder."

ARTICLE VIII.

AMENDED AND RESTATED MASTER INDENTURE

Section 801. Amendment and Restatement of the Master Indenture. The Obligated Group intends to amend and restate the Master Indenture by the execution and delivery of an Amended and Restated Master Trust Indenture (the *"Restated Master Indenture"*). The Restated Master Indenture shall be substantially in the form attached hereto as *Exhibit D.* The amendment and restatement of the Master Indenture by the Restated Master Indenture will become effective upon the receipt by the Master Trustee of the consent of the holders of not less than 51% in aggregate principal amount of the outstanding Obligations, all in accordance with Section 702 of the Master Indenture.

By acceptance of the Series 2017 Notes, the purchasers thereof shall be deemed to have consented to the execution and delivery by the Master Trustee of the Restated Master Indenture.

The covenants in Article VII shall survive, and apply to, the equivalent sections of the Restated Master Indenture.

ARTICLE IX.

MISCELLANEOUS

Section 901. Note Register. The Master Trustee shall keep on file at its designated corporate trust office the Note Register relating to the Series 2017 Notes indicating the names and addresses of the owners of the Series 2017 Notes and the serial numbers of such Series 2017 Notes held by each of such owners. At reasonable times and under reasonable regulations established by the Master Trustee, the Note Register may be inspected and copied by the Obligated Group or the authorized representative of any owner or owners of 15% or more in principal amount of the Series 2017 Notes then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Master Trustee.

Section 902. Execution of This Third Supplemental Master Indenture. This Third Supplemental Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 903. Continuation of Rights of the Master Trustee. The recitals in this Third Supplemental Master Indenture are made by each of the Members of the Obligated Group only and not by the Master Trustee. All of the provisions contained in the Master Indenture in respect of the rights, privileges, immunities, powers and duties of the Master Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

Section 904. Ratification of Original Master Indenture. In all respects not inconsistent with the terms and provisions of this Third Supplemental Master Indenture, the Original Master Indenture as heretofore and hereby amended and supplemented is hereby ratified, approved and confirmed.

Section 905. Severability. If any provision of this Third Supplemental Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Third Supplemental Master Indenture contained shall not affect the remaining portions of this Third Supplemental Master Indenture or any part thereof.

Section 906. Applicable Law. This Third Supplemental Master Indenture and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and WELLS FARGO BANK, N.A. has caused this Third Supplemental Master Indenture to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A.,
as Master Trustee

By _____
Vice President

EXHIBIT A

FORM OF SERIES 2017 NOTE*

[This Obligation has not been registered under the Securities Act of 1933, as amended].

BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP
TAXABLE NOTE, SERIES 2017

No. R-1 $250,000,000

MATURITY DATE:	ORIGINAL ISSUE DATE:	CUSIP:
November 15, 2041	January 12, 2017	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

INTEREST RATE:

BAPTIST HEALTH SOUTH FLORIDA, INC. (*"BHSF"*), Baptist Hospital of Miami, Inc. (*"Baptist Hospital"*), Baptist Outpatient Services, Inc. (*"BOS"*), Doctors Hospital, Inc. (*"Doctors Hospital"*), Homestead Hospital, Inc. (*"Homestead Hospital"*), Mariners Hospital, Inc. (*"Mariners Hospital"*), South Miami Hospital, Inc. (*"South Miami Hospital"*) and West Kendall Baptist Hospital, Inc. (*"West Kendall Baptist Hospital"*), each a Florida not for profit corporation duly organized and validly existing under the laws of the State of Florida, for value received hereby jointly and severally promise to pay in lawful money of the United States of America to the registered owner named above, or registered assigns, upon surrender, the principal amount specified above, and to pay interest on such principal amount in like manner on each May 15 and November 15 commencing May 15, 2017 (or on the next succeeding Business Day if such May 15 or November 15 is not a Business Day) at the Interest Rate set forth above (calculated on the basis of a 360-day year composed of twelve 30-day months) as provided in the Master Indenture (as hereafter defined), until payment of the principal amount or provision therefore shall have been made on the Maturity Date, upon redemption or acceleration or otherwise.

The principal of and interest on this Series 2017 Note are payable, except as otherwise provided in the Third Supplemental Master Indenture (as hereafter defined) at the designated corporate trust office (initially the principal corporate trust office in Jacksonville, Florida) of Wells Fargo Bank, N.A., the master trustee (the *"Master Trustee"*) under the Master Indenture (as hereafter defined), or at the office of any successor master trustee under the Master Indenture, by check or draft hand delivered to the holder hereof or by wire transfer to any holder of $1,000,000 or more in aggregate principal amount of Series 2017 Notes, in either case delivered on the date each such payment is due.

This Series 2017 Note is issued under and secured by and entitled to the security of a Master Trust Indenture dated as of May 1, 2007, as previously supplemented and amended (the *"Original Master Indenture"* and, as supplemented and amended by the Third Supplemental Master Trust Indenture dated as of January 1, 2017 (the *"Third Supplemental Master Indenture"* and, as it may be further supplemented and amended from time to time, the *"Master Indenture"*), duly executed and delivered by the Members of the Obligated Group to Wells Fargo Bank, N.A. BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Baptist Hospital are the current Members of the Obligated Group (as such terms are defined in the Master Indenture). Members of the Obligated Group jointly and severally agree under the Master Indenture to be liable on all Obligations issued under the Master Indenture (including this Series 2017 Note). It is provided in the Master Indenture that the current and any future Members of the Obligated Group may hereafter issue Additional Obligations (as defined in the Master Indenture) from time to time, and if issued, such Additional Obligations will rank pari passu with this Series 2017 Note and all other Obligations theretofore or thereafter issued under the Master Indenture, except as otherwise provided in the Master Indenture. Reference is made to the Master Indenture, to all indentures supplemental thereto and to all amendments thereto for the provisions, among others, with respect to the nature and extent of the security for this Series 2017 Note, the rights, duties and obligations of the Members of the Obligated Group and the Master Trustee and the rights of the holders of this Series 2017 Note, and to all the provisions of which the holder hereof by the acceptance of this Series 2017 Note assents.

This Series 2017 Note is transferable by the registered holder hereof in person or by duly authorized attorney at the principal corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Series 2017 Note. Upon such transfer a new registered Series 2017 Note or Notes without coupons of the same maturity and of Authorized Denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

The Series 2017 Notes are subject to optional redemption prior to their maturity at the option of the Obligated Group Agent, in whole or in part on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of the Series 2017 Notes to be redeemed; or

* Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (*"DTC"*), to the Master Trustee or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co. has an interest herein.

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017 Notes, not including any portion of those payment of interest accrued and unpaid as of the date on which the Series 2017 Notes are to be redeemed, discounted to the date on which the Series 2017 Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 25 basis points;

plus in each case, accrued interest on the Series 2017 Notes to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2017 Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2017 Note; *provided, however,* that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be the "Treasury Rate."

At the written request of the Master Trustee to the Obligated Group Agent, the redemption price of the Series 2017 Notes to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Obligated Group Agent at the Obligated Group's expense to calculate such redemption price. The Master Trustee and the Obligated Group may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

The provisions of Sections 410 and 411 of the Original Master Indenture notwithstanding, the Series 2017 Notes are not subject to redemption in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof or condemnation or sale consummated under threat of condemnation of the Facilities of any Member or any part thereof.

Notice of the call for redemption of Series 2017 Notes shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid not less than 30 or more than 60 days prior to the redemption date to the registered owners of the Series 2017 Notes to be redeemed to the address shown on the Note Register, *provided, however,* that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2017 Notes will not affect the validity of any proceedings for redemption as to any other Series 2017 Notes with respect to which notice was properly given to the holder thereof. Prior to the date that the redemption notice is first mailed as aforesaid, funds shall be placed with the Master Trustee to pay the principal of such Series 2017 Notes, the accrued and unpaid interest thereon to the redemption date and the premium, if any, thereon or such notice of redemption shall state that any redemption is conditional on such funds being deposited with the Master Trustee on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Master Indenture.

This Series 2017 Note is subject to advance defeasance of the Master Indenture by depositing Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding under the Master Indenture at or before their maturity date. The Members shall remain the obligors on such Obligations but the holders thereof shall be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Members may also pay or provide for the payment of the entire indebtedness on this Series 2017 Note or any portion of this Series 2017 Note by depositing Escrow Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on this Series 2017 Note or a portion of this Series 2017 Note at or before its maturity date. Upon such deposit, this Series 2017 Note or portion of this Series 2017 Note shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on such Series 2017 Note but the holders thereof shall be entitled to payment (to the exclusion of all other Note holders) solely out of such funds received from such Escrow Obligations. The Members may pay or provide for the payment of all or a part of the indebtedness on Obligations of a particular series other than this Series 2017 Note, as described in the Master Indenture.

The holder of this Series 2017 Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

This Series 2017 Note is an Accelerable Instrument (as defined in the Master Indenture) and, so long as this Series 2017 Note is held in a book-entry only system, the holder hereof has the right under the Master Indenture to request an acceleration of this Series 2017 Note upon the occurrence of an event of default described in Section 502 of the Master Indenture. If this Series 2017 Note is not held in a book-entry only system, such a request for acceleration may only be made by the holders of a majority in aggregate principal amount of the Series 2017 Notes then outstanding.

In certain events (including without limitation the occurrence of an "event of default" as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the outstanding principal of this Series 2017 Note may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

Modifications or alterations of the Master Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Master Indenture.

By acceptance of the Series 2017 Notes, the purchasers thereof shall be deemed to have consented to the execution and delivery by the Master Trustee of that certain Amended and Restated Master Trust Indenture, amending and restating the Master Indenture. The Amended and Restated Master Trust Indenture will be substantially in the form attached to the Third Supplemental Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Series 2017 Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2017 Note have been duly authorized by resolutions of BHSF and the other Members of the Obligated Group duly adopted.

No recourse shall be had for the payment of the principal or interest on this Series 2017 Note or for any claim based hereon or upon any obligation, covenant or agreement in the Master Indenture contained against any past, present or future officer, trustee, director, member, employee or agent of any Member of the Obligated Group, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Series 2017 Note.

BHSF, on behalf of itself and the other Members, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Members.

This Series 2017 Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the certificate of authentication hereon shall have been duly executed by the Master Trustee.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused this Series 2017 Note to be executed in its name and on its behalf by its Executive Vice President and Chief Financial Officer as of this 12th day of January, 2017.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

This Series 2017 Note is one of the Obligations described in the within-mentioned Master Indenture.

WELLS FARGO BANK, N.A.,
as Master Trustee

By _____
Vice President

EXHIBIT B

BLANKET LETTER OF REPRESENTATIONS FROM BAPTIST HEALTH SOUTH FLORIDA, INC. TO THE DEPOSITORY TRUST COMPANY

EXHIBIT C

FORM OF COST OF ISSUANCE REQUISITION

Wells Fargo Bank, N.A.,
as master trustee
225 Water Street, Suite 410
Jacksonville, Florida
Attention: Corporate Trust Department

This Cost of Issuance Disbursement Written Request (the or this *"Written Request"*) is submitted pursuant to the provisions of Section 502 of that certain Third Supplemental Master Trust Indenture dated as of Jan 1, 2017 (the *"Third Supplemental Master Indenture"*), among Baptist Health South Florida, Inc., Baptist Hospital of Miami, Inc. Baptist Outpatient Services, Inc., Homestead Hospital, Inc., Mariners Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc. and Wells Fargo Bank, N.A., as master trustee (the *"Master Trustee"*), pursuant to which the Baptist Health South Florida Obligated Group Taxable Notes, Series 2017 (Baptist Health South Florida, Inc.) (the *"Series 2017 Notes"*) were issued. The terms used herein have the same meanings as when used in the Master Indenture except where the context otherwise requires.

Baptist Health South Florida, Inc., a Florida not for profit corporation (*"BHSF"*), hereby requests that the Master Trustee pay to the payee(s) named in subparagraph (b) below from funds held in the Cost of Issuance Fund the amount specified in paragraph (d) below. In support of this Written Request, the BHSF states as follows:

(a) This Written Request is requisition number _____ (____);

(b) The party/parties to whom payment is due are listed on Schedule A hereto;

(c) Payment is to be sent to the address(es) or account(s) listed on Schedule A hereto;

(d) The amount(s) to be paid or reimbursed is/are listed on Schedule A hereto;

(e) The amount(s) referred to in paragraph (d) was/were incurred to pay the costs of issuance described on Schedule A hereto;

(f) The amount referred to in paragraph (d) is justly due and owing;

(g) No part of the costs described on Schedule A hereto was included in any other Written Request for the payment of costs of issuance from the proceeds of the Series 2017 Notes; and

(h) The costs referred to in paragraph (e) were incurred in connection with the issuance of the Series 2017 Notes and are a proper charge against the Cost of Issuance Fund.

In accordance with the provisions of the Third Supplemental Master Indenture, BHSF has caused this Cost of Issuance Disbursement Written Request to be signed on its behalf this ____ day of _____, 20__.

BAPTIST HEALTH SOUTH FLORIDA, INC.

By_____
Its_____

SCHEDULE A

PAYEE (NAME, ADDRESS AND/OR ACCOUNT NUMBER)*	DESCRIPTION OF COSTS	AMOUNT DUE

* Include wiring instructions for all items to be wired and addresses for checks to be mailed.

[THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT D

PROPOSED FORM OF AMENDED AND RESTATED MASTER TRUST INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D.

THE DTC BOOK-ENTRY ONLY SYSTEM

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

THE DTC BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2017 Notes (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that

the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within one issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to BHSF as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from BHSF or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, BHSF, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of BHSF and Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Trustee. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Trustee's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to BHSF or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. BHSF may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that BHSF believes to be reliable, but BHSF takes no responsibility for the accuracy thereof.

APPENDIX E

PROPOSED FORM OF RESTATED MASTER TRUST INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

AMENDED AND RESTATED MASTER TRUST INDENTURE

AMONG

BAPTIST HEALTH SOUTH FLORIDA, INC.,
BAPTIST HOSPITAL OF MIAMI, INC.,
BAPTIST OUTPATIENT SERVICES, INC.,
DOCTORS HOSPITAL, INC.,
HOMESTEAD HOSPITAL INC.,
MARINERS HOSPITAL, INC.,
SOUTH MIAMI HOSPITAL, INC.,
WEST KENDALL BAPTIST HOSPITAL, INC.

AND

WELLS FARGO BANK, N.A.,
as Master Trustee

Dated as of _____, _____

Amending and Restating the Master Trust Indenture dated as of May 1, 2007
and providing for the issuance of Direct Obligations

This instrument was prepared by:
David J. Kates
Michael J. Mitchell
Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS 4

ARTICLE II. THE OBLIGATIONS 26

Section 201. *Series, Designation and Amount of Obligations* 26
Section 202. *Payment of Obligations* 26
Section 203. *Execution* 27
Section 204. *Authentication* 27
Section 205. *Form of Obligations and Temporary Obligations* 28
Section 206. *Mutilated, Lost, Stolen or Destroyed Obligations* 28
Section 207. *Registration; Negotiability; Cancellation upon Surrender; Exchange of Obligations* 29
Section 208. *Security for Obligations* 30
Section 209. *Issuance of Obligations in Forms Other Than Notes* 30
Section 210. *Appointment of Obligated Group Agent* 30
Section 211. *Payments on Obligations Issued to Secure or Evidence Financial Products Agreements.* 31
Section 212. *Assumption of Existing Obligations* 32

ARTICLE III. PREPAYMENT OR REDEMPTION OF OBLIGATIONS 32

Section 301. *Prepayment or Redemption Dates and Prices* 32
Section 302. *Notice of Prepayment or Redemption* 33
Section 303. *Partial Prepayment or Redemption of Obligations* 34
Section 304. *Effect of Call for Prepayment or Redemption* 34

ARTICLE IV. GENERAL COVENANTS 35

Section 401. *Payment of Principal, Premium, If Any, and Interest* 35
Section 402. *Performance of Covenants* 35
Section 403. *Representations and Warranties by the Obligated Group* 35
Section 404. *Entrance into the Obligated Group* 36
Section 405. *Cessation of Status as a Member of the Obligated Group* 38
Section 406. *Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest* 39
Section 407. *Risk Management* 42
Section 408. *Right to Perform Members' Covenants; Advances* 42
Section 409. *Rates and Charges* 43
Section 410. *Merger, Consolidation, Sale or Conveyance* 43
Section 411. *Financial Statements, Etc.* 45
Section 412. *Permitted Additional Indebtedness* 47
Section 413. *Calculation of Debt Service and Debt Service Coverage* 52
Section 414. *Sale, Lease or Other Disposition of Property* 54
Section 415. *Liens on Property* 56

Section 416. *Right to Consent, Etc.* 56
Section 417. *List of Obligation Holders* 56
Section 418. *Designation of Additional Paying Agents* 57
Section 419. *Further Assurances; Additional Property* 57
Section 420. *Indemnity* 57
Section 421. *Dividends and Stock Purchases* 59
Section 422. *Maintenance; Recording* 59

ARTICLE V. REMEDIES 59

Section 501. *Extension of Payment; Penalty* 59
Section 502. *Events of Default* 59
Section 503. *Acceleration* 61
Section 504. *Remedies; Rights of Obligation Holders* 61
Section 505. *Direction of Proceedings by Holders* 62
Section 506. *Appointment of Receivers* 63
Section 507. *Application of Moneys* 63
Section 508. *Remedies Vested in Master Trustee* 65
Section 509. *Rights and Remedies of Obligation Holders* 65
Section 510. *Termination of Proceedings* 66
Section 511. *Waiver of Events of Default* 66
Section 512. *Members' Rights of Possession and Use of Property* 66
Section 513. *Related Bond Trustee or Bondholders Deemed to Be Obligation Holders* 66

ARTICLE VI. THE MASTER TRUSTEE 67

Section 601. *Acceptance of the Trusts* 67
Section 602. *Fees, Charges and Expenses of Master Trustee and Any Additional Paying Agent* 70
Section 603. *Notice to Obligation Holders If Default Occurs* 70
Section 604. *Intervention by Master Trustee* 70
Section 605. *Successor Master Trustee* 70
Section 606. *Corporate Master Trustee Required; Eligibility* 71
Section 607. *Resignation by the Master Trustee* 71
Section 608. *Removal of the Master Trustee* 71
Section 609. *Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee* 71
Section 610. *Concerning Any Successor Master Trustee* 72
Section 611. *Master Trustee Protected in Relying upon Resolutions, Etc.* 72
Section 612. *Successor Master Trustee as Trustee of Funds, Paying Agent and Obligation Registrar* 72
Section 613. *Co-Master Trustees* 72
Section 614. *Maintenance of Records* 74

ARTICLE VII. SUPPLEMENTAL MASTER INDENTURES 74

Section 701. *Supplemental Master Indentures Not Requiring Consent of Obligation Holders* 74
Section 702. *Supplemental Master Indentures Requiring Consent of Obligation Holders* 76

ARTICLE VIII. SATISFACTION OF THE MASTER INDENTURE 77

Section 801. *Defeasance* 77
Section 802. *Provision for Payment of a Particular Series of Obligations or Portion Thereof* 79
Section 803. *Satisfaction of Related Bonds* 80

ARTICLE IX. MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS 80

Section 901. *Proof of Ownership* 80

ARTICLE X. MISCELLANEOUS 81

Section 1001. *Limitation of Rights* 81
Section 1002. *Unclaimed Moneys* 81
Section 1003. *Severability* 81
Section 1004. *Notices* 81
Section 1005. *Master Trustee as Paying Agent and Registrar* 82
Section 1006. *Counterparts* 82
Section 1007. *Applicable Law* 82
Section 1008. *Immunity of Officers, Employees and Members of Members* 82
Section 1009. *Holidays* 82

EXHIBIT A — FORM OF OUTSTANDING OBLIGATIONS
EXHIBIT B — LIST OF EXCEPTIONS
EXHIBIT C — LIST OF OBLIGATED GROUP MEMBERS
EXHIBIT D — SUBORDINATED INDEBTEDNESS

THIS IS AN AMENDED AND RESTATED MASTER TRUST INDENTURE dated as of _____, ____ (the *"Master Indenture"*) among Baptist Health South Florida, Inc. (the *"BHSF"*), Baptist Hospital of Miami, Inc. (*"Baptist Hospital"*), Baptist Outpatient Services, Inc. (*"BOS"*), Doctors Hospital, Inc. (*"Doctors Hospital"*), Homestead Hospital, Inc. (*"Homestead Hospital"*), Mariners Hospital Inc. (*"Mariners Hospital"*), South Miami Hospital, Inc. (*"South Miami Hospital"*) and West Kendall Baptist Hospital, Inc. (*"West Kendall Hospital"*), each a Florida not for profit corporation, the initial Members of the Obligated Group hereinafter referred to, and Wells Fargo Bank, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with its designated corporate trust office currently at 7680 Universal Blvd., Orlando, Florida, herein called the *"Master Trustee."*

RECITALS:

The Members of the Obligated Group have heretofore entered into that certain Master Trust Indenture dated as of May 1, 2007 with Wells Fargo Bank, N.A., as master trustee, as supplemented and amended (as so supplemented and amended, the *"Original Master Indenture"*).

The Members of the Obligated Group now desire to amend and restate the Original Master Indenture pursuant to the terms hereof.

There has been issued and as of the date hereof there is outstanding the following Obligations:

(i) $250,000,000 Taxable Notes, Series 2011;

(ii) $250,000,000 Taxable Notes, Series 2017; and

(iii) _____

In accordance with the provisions of Section 702 of the Original Master Indenture, the holders of not less than 51% in aggregate principal amount of the outstanding Obligations have consented to the amendment and restatement of the Original Master Indenture by this Master Indenture.

The Members of the Obligated Group are authorized by law, and deem it necessary and desirable that they be able to issue Direct Obligations and other evidences of indebtedness (collectively, the *"Obligations"*) of several series in order to secure the financing or refinancing of health care facilities and for other lawful and proper corporate purposes.

The Members of the Obligated Group also desire to provide in this Master Indenture for other legal entities to join with them in the future in pooling credit resources in order to achieve lower borrowing costs and to become jointly and severally liable with the Members and other such entities for the payment of the Obligations and the performance of all covenants contained herein. The BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and each legal entity incurring such joint and several liability in accordance with the terms hereof are herein referred to individually as a *"Member"* and collectively as the *"Members"* or the "*Obligated Group."*

All acts and things necessary to make the Series ____ Obligation (as such term is hereinafter defined), when authorized and executed by the BHSF and authenticated and delivered by the Master Trustee as provided in this Master Indenture, the valid, binding and legal obligation of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Master Indenture and the issuance hereunder of the BHSF's $_____ Direct Note Obligation, Series ____ (the *"Series ____ Obligation"*), have in all respects been duly authorized, and the Members, in the exercise of the legal right and power vested in them, execute this Master Indenture and the BHSF proposes to make, execute, issue and deliver the Series ___ Obligation and the Members may make, execute, issue and deliver one or more Additional Obligations of various series.

In order to declare the terms and conditions upon which Obligations of each series are authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of Obligations of each series by the holders thereof and of the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Members covenant and agree with the Master Trustee, for the equal and proportionate benefit of the respective holders from time to time of Obligations of each series, as follows:

GRANTING CLAUSES

That each Member of the Obligated Group in consideration of the premises and of the purchase of the Existing Obligations and the Series ___ Obligation and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal of, premium, if any, and interest on the Obligations and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Master Indenture and has conveyed, mortgaged, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in, and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Master Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular the personal property, hereinafter described (said property being herein sometimes referred to as the *"trust estate"*) to wit:

DIVISION I

All accounts now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida; excluding, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and

the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under this Master Indenture or on the Obligations (defined and referred to herein as the *"Unrestricted Receivables"*);

DIVISION II

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by any Member or by anyone on its behalf to the Master Trustee, including without limitation, funds of any Member held by the Master Trustee as security for the Obligations;

To Have and to Hold, all and singular, the properties, rights and privileges hereby conveyed, assigned and pledged by the Members or intended so to be, unto the Master Trustee its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of all Obligations issued hereunder, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Obligation over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Obligations shall have the same right, lien and privilege under this Master Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

Provided, However, that the Unrestricted Receivables so pledged hereunder which consist of accounts receivable may be sold free and clear of the lien thereon despite this pledge if such sale is in accordance with the provisions of this Master Indenture and is on commercially reasonable terms and Unrestricted Receivables so pledged hereunder may be subject to a Lien permitted by clause (t) of the definition of Permitted Encumbrances;

Provided, Nevertheless, and these presents are upon the express condition, that if the Members or their successors or assigns shall well and truly pay or cause to be paid the principal of such Obligations with interest, according to the provisions set forth in the Obligations and each of them or shall provide for the payment or redemption of such Obligations by depositing or causing to be deposited with the Master Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable under the Master Indenture by the Members, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Master Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Members and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Members such instruments of satisfaction or release as may be necessary or proper to discharge this Master Indenture of record, and if necessary shall grant, reassign and deliver to the Members, their successors or assigns, all and singular the property, rights, privileges and interests by them hereby granted, conveyed and

assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Master Indenture shall be and remain in full force.

ARTICLE I.

DEFINITIONS

In addition to the words and terms elsewhere defined in this Master Indenture, the following words and terms as used in this Master Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Accelerable Instrument" means any Obligation or any mortgage, indenture, loan agreement or other instrument under which there has been issued or incurred, or by which there is secured, any Indebtedness evidenced by an Obligation, which Obligation or instrument provides that, upon the occurrence of an event of default under such Obligation or instrument, the holder thereof may request that the Master Trustee declare such Obligation or Indebtedness due and payable prior to the date on which it would otherwise become due and payable.

"Additional Indebtedness" means Indebtedness incurred by any Member subsequent to the issuance of the Series ____ Obligation.

"Additional Obligations" means any evidence of Indebtedness or evidence of any repayment or other obligation under a Financial Product Agreement which is issued after the issuance of the Series ___ Obligation, which is authorized to be issued by a Member pursuant to this Master Indenture and which has been authenticated by the Master Trustee pursuant to Section 204 hereof.

"*Adjustable Indebtedness*" means Indebtedness which is payable or subject to purchase not more frequently than once per year at the option of the holder thereof prior to the stated maturity therefor, but only to the extent of money available for such repayment or repurchase.

"Affiliate" means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, a Member; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of a Member. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, *"Directing Body"* means with respect to: (a) a corporation having stock, such corporation's board of directors and the owners, directly or indirectly, of more than 50% of the securities (as

defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation's directors (both of which groups shall be considered a Directing Body); (b) a not for profit corporation not having stock, such corporation's members if the members have complete discretion to elect the corporation's directors, or the corporation's directors if the corporation's members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

"*Balloon Indebtedness*" means Long-Term Indebtedness, 25% or more of the original principal of which matures during any consecutive twelve-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such twelve-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

"*Baptist Hospital*" means Baptist Hospital of Miami, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*BHSF*" means Baptist Hospital of Miami, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Bondholder,*" "*holder*" or "*owner of the Bonds*" means the registered owner of any Related Bond.

"*Book Value,*" when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member which have been prepared in accordance with GAAP, and, when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP, *provided* that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

"*BOS*" means Baptist Outpatient Services, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Business Day*" means a day which is not (a) a Saturday, Sunday or day on which the designated corporate trust office of the Master Trustee is lawfully and temporarily closed or (b) a day on which the New York Stock Exchange is closed.

"*Capitalized Lease*" means any lease of real or personal property which, in accordance with GAAP, is required to be capitalized on the balance sheet of the lessee.

"*Capitalized Rentals*" means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, including any rules and regulations promulgated pursuant thereto.

"*Co-Master Trustee*" means any co-trustee appointed and then serving pursuant to Section 613 hereof.

"*Commitment Indebtedness*" means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member, or (b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of Section 412 hereof, and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement.

"*Completion Funded Indebtedness*" means any Funded Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities with respect to which Funded Indebtedness for borrowed money or credit extended has been incurred in accordance with the provisions hereof; and (b) with a principal amount not in excess of the amount required to provide a completed and equipped Facility of substantially the same type and scope contemplated at the time such prior Funded Indebtedness was originally incurred, to provide for Funded Interest during the period of construction and equipping, to provide any reserve fund relating to such Completion Funded Indebtedness and to pay the costs and expenses of issuing such Completion Funded Indebtedness.

"*Construction Index*" means the most recent issue of the "Dodge Construction Index for U.S. and Canadian Cities" with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under the Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Agent in an Officer's Certificate delivered to the Master Trustee.

"*Consultant*" means a professional consulting or banking firm selected by the Obligated Group Agent, having the skill and experience necessary to render the particular report required and having a favorable and nationally recognized reputation for such skill and experience, which firm does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof.

"*Cross-over Date*" means, with respect to Cross-over Refunding Indebtedness, the date on which the principal portion of the Cross-over Refunded Indebtedness is paid or redeemed, or

on which it is anticipated that such principal portion will be paid or redeemed, from the proceeds of such Cross-over Refunding Indebtedness.

"*Cross-over Refunded Indebtedness*" means Indebtedness of a Person refunded by Cross-over Refunding Indebtedness.

"*Cross-over Refunding Indebtedness*" means Indebtedness of a Person issued for the purpose of refunding other Indebtedness of such Person if the proceeds of such Cross-over Refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable Cross-over Date of the Cross-over Refunded Indebtedness and earnings on such escrow deposit are required to be applied to pay interest or principal on either or both of such Cross-over Refunding Indebtedness or such Cross-over Refunded Indebtedness until the Cross-over Date.

"*Cumulative Net Income Available for Dividends*" means for any Person the amount equal to the sum of the Income Available for Debt Service of such Person for each Fiscal Year during which such Person is a Member of the Obligated Group subsequent to September 30, 20__, less, in each Fiscal Year, interest on Funded Indebtedness, depreciation and amortization.

"*Current Value*" means (i) with respect to Property, Plant and Equipment: (a) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Agent and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated; plus (b) the Book Value of any Property, Plant and Equipment acquired since the last such report, increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated; minus (c) the greater of the Book Value or the fair market value (as reflected in the most recent appraiser's report) of any Property, Plant and Equipment disposed of since the last such report, increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, and (ii) with respect to any other Property, the fair market value of such Property which fair market value shall be evidenced in a manner satisfactory to the Master Trustee.

"*Days Cash on Hand*" means, for the period tested: (i) Unrestricted Cash and Investments at the end of the period divided by (ii) the quotient of (a) the sum of Expenses plus interest on Funded Indebtedness for the period divided by (b) the number of calendar days in the period.

"*Debt Service Requirements*" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Funded Indebtedness of each Person or a

group of Persons with respect to which calculated; *provided* that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Sections 412 and 413 hereof; (b) interest shall be excluded from the determination of Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) payments of principal on Funded Indebtedness described in Section 412(E) made with cash of the Obligated Group shall be excluded from the determination of Debt Service Requirements; and (e) payments of principal on Funded Indebtedness made with cash of the Obligated Group shall be excluded from the determination of Debt Service Requirements. If such Funded Indebtedness constitutes Balloon Indebtedness.

"*Doctors Hospital*" means Doctors Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Enabling Statute*" means the Act and any other legislation pursuant to which any series of Related Bonds is issued.

"*Encumbered*" means, with respect to Property, subject to a Lien described in subsections (b), (d) (other than a Lien securing Non-Recourse Indebtedness), (f) (including only leases whereunder any Member is lessor entered into in accordance with the disposition of Property provisions of the Master Indenture which were not in existence on April 1, 2007), (n), (t), (u), (v), (z), (aa) and (bb)(ii) of the definition of Permitted Encumbrances and all other Liens not described in the definition of Permitted Encumbrances; *provided* that any amounts on deposit in a construction or similar fund created in connection with the issuance of an Obligation which are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property which is not subject to a Lien.

"*Escrow Obligations*" means, (i) with respect to any Obligation which secures a series of Related Bonds, the obligations permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (ii) in all other cases (a) United States Government Obligations, (b) obligations of any agency or instrumentality of the United States Government, (c) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or any similar corporation chartered by the United States or (2) secured by a pledge of any United States Government Obligations which have an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Master Trustee, (d)(1) evidences of a direct ownership in future interest or principal payments on obligations of the type described in (a) above, which obligations are held in a custody account by a custodian satisfactory to the Master Trustee pursuant to the terms of a custody agreement and (2) obligations issued by any state of the United States or any political

subdivision, public instrumentality or public authority of any state, which obligations are not callable before the date the principal thereof will be required to be paid and which obligations are fully secured by and payable solely from obligations of the type described in (a) above, which securities are held pursuant to an agreement in form and substance acceptable to the Master Trustee, or (e) after 30 days' prior written notice to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, shares or certificates in any short-term investment fund which is maintained by the Master Trustee or a Related Bond Trustee.

"*Existing Facilities*" means any Property constituting the primary healthcare Facilities of the Obligated Group in existence on the dated date hereof.

"*Existing Obligations*" means the Series 2011 Notes and the Series 2017 Notes.

"*Expenses*" means, for any period, the aggregate of all expenses calculated under GAAP, including without limitation any taxes and any bad debt expense, incurred by the Person or group of Persons involved during such period, minus

(a) interest on Funded Indebtedness,

(b) depreciation and amortization,

(c) extraordinary expenses,

(d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense and, if such calculation is being made with respect to the Obligated Group, excluding any such expenses attributable to transactions between any Member and any other Member,

(e) losses resulting from any reappraisal, revaluation or write-down of assets,

(f) to the extent treated as an expense, any unrealized losses resulting from change in the valuation of investment securities or Financial Product Agreements,

(g) losses on the sale of assets other than in the ordinary course of business,

(h) any expenses resulting from (a) the extinguishment of Indebtedness or termination of a pension plan, including, without limitation, any related write down or write off of unamortized issuance costs or expenses or of the cost of credit enhancement or (b) adjustments to the value of assets or liabilities resulting from changes in GAAP, and

(i) losses to the extent covered by insurance or condemnation proceeds.

"*Facilities*" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

"*Financial Product Agreement*" means an interest rate swap, basis swap, index swap or option, exchange, cap, collar, option, floor, forward, futures contract or other hedging agreement, arrangement or security, or combination of the foregoing, however denominated, including any option to enter into the foregoing, identified to the Master Trustee in a certificate of the Obligated Group Agent as having been entered into by a Member of the Obligated Group for the purpose of reducing, modifying, converting or otherwise managing the Member's risk of interest rate or interest rate index changes or interest rate or interest rate index exposures or risk of changes or exposures to prices of commodities, securities, portfolios, products, supplies, goods or services. Obligations of a Member of the Obligated Group in respect of a Financial Product Agreement shall not constitute Indebtedness hereunder except to the extent such a Financial Product Agreement provides for the repayment of money borrowed, credit extended or the equivalent.

"*Fiscal Year*" means any twelve-month period beginning on October 1 of any calendar year and ending on September 30 of the next succeeding calendar year or such other consecutive twelve-month period selected by the Obligated Group Agent as the fiscal year for the Members.

"*Fitch*" means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"*Funded Indebtedness*" means, with respect to any Person, (i) all Indebtedness of such Person for money borrowed or credit extended which is not Short-Term; (ii) all Indebtedness of such Person incurred or assumed in connection with the acquisition or construction of Property which is not Short-Term; (iii) all Short-Term Indebtedness incurred by the Person which is of the type described in Section 412(E) hereof; (iv) the Person's Guaranties of Indebtedness which are not Short-Term; and (v) Capitalized Rentals under Capitalized Leases entered into by the Person; *provided, however,* that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Indenture.

"*Funded Indebtedness Ratio*" means the ratio consisting of (i) a numerator equal to the amount determined by dividing the Obligated Group's total Funded Indebtedness by the sum of (a) such Funded Indebtedness and (b) the Obligated Group's total net assets (as reflected in or derived from the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP) and (ii) a denominator of one.

"*Funded Interest*" means amounts irrevocably deposited in a fund created under a Related Bond Indenture or in escrow to pay interest on Funded Indebtedness or Related Bonds and interest earned on such deposits to the extent such interest earned is required to be applied to pay interest on Funded Indebtedness or Related Bonds.

"*GAAP*" means accounting principles generally accepted in the United States as of the date of any calculation hereunder, subject, however, to the last paragraph of Article I hereof.

"*Governing Body*" means, with respect to a Member, the board of directors, board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"*Guaranty*" means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (1) to purchase such Indebtedness or obligation or any Property constituting security therefor; (2) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (3) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (4) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof. Notwithstanding the foregoing, none of the following shall be deemed to constitute a Guaranty: (i) the endorsement in the ordinary course of business of negotiable instruments for deposit or collection, (ii) the discount or sale without recourse of any such Person's notes receivable or accounts receivable, (iii) a guaranty of the rentals in future years under leases which are not treated as a liability on a balance sheet prepared in accordance with GAAP, or (iv) the obligation to make payments on Obligations pursuant to the provisions of this Master Indenture.

"*Historical Debt Service Coverage Ratio*" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Debt Service Requirements for such period and a denominator of one; *provided* that, when such calculation is being made with respect to the Obligated Group, Income Available for Debt Service and Debt Service Requirements shall be determined only with respect to those Persons who are Members of the Obligated Group at the time of such calculation; *provided, further,* that in calculating the Debt Service Requirements for any completed period, the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Indenture or from amounts deposited to provide for such payment pursuant to an amortization schedule established and maintained in accordance with the provisions of Section 412(G)(ii)(a) and (b), which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal became due.

"*Historical Pro Forma Debt Service Coverage Ratio*" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness then outstanding (other than any Funded Indebtedness being refunded with the Funded Indebtedness then proposed to be issued) and the Funded Indebtedness then proposed to be issued and a denominator of one; *provided* that, when such calculation is being made with respect to the Obligated Group, Income Available for Debt Service and Maximum Annual Debt Service Requirement shall be determined only with respect to those Persons who are Members of the Obligated Group at the time of such calculation.

"*Homestead Hospital*" means Homestead Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Income Available for Debt Service*" means, for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

"*Indebtedness*" means, for any Person, (a) all Guaranties by such Person, (b) all liabilities (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with GAAP, if such liabilities were incurred, assumed or established primarily to assure the repayment of money borrowed, credit extended or the equivalent thereof, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events including without limitation take or pay contracts or (ii) if incurred or assumed primarily to assure the repayment of money borrowed, credit extended or the equivalent thereof, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others or otherwise, and shall include, without limitation, Non-Recourse Indebtedness; *provided* that Indebtedness shall not include Indebtedness of one Member to another Member, any Guaranty by any Member of Indebtedness of any other Member, the joint and several liability of any Member on Indebtedness issued by another Member, Financial Product Agreements, except to the extent such Financial Product Agreements provide for the repayment of money borrowed, credit extended or the equivalent thereof, or any obligation to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

"*Independent Architect*" means an architect, engineer or firm of architects or engineers selected by a Member and licensed by, or permitted to practice in, the state where the construction involved is located, which architect, engineer or firm of architects or engineers, in the case of an individual, is not a member, director, officer or employee of any Member of the Obligated Group or any Affiliate thereof and, in the case of a firm, does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or any Affiliate thereof.

"*Independent Counsel*" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee or any Related Bond Trustee.

"*LIBOR*" means a fluctuating rate of interest per annum equal to the London Interbank Offered Rate as reported on Bloomberg (or a comparable or successor rate as reported on a commercially available source providing such quotations of such rate as selected by the Obligated Group Agent from time to time), as determined by the Obligated Group Agent at approximately 11:00 a.m., London time, for U.S. Dollar deposits with a term of 30-days.

"*Lien*" means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Property of the Person involved in favor of, or which secures

any obligation to, any Person other than any Member, and any Capitalized Lease under which any Member is lessee and the lessor is not another Member; *provided* that a Lien shall not include (i) any sale and leaseback or lease and leaseback or similar arrangements entered into by any Obligated Group Member with a Related Issuer to the extent required in connection with the issuance of Related Bonds and (ii) any lease other than Capitalized Leases.

"*Long-Term Indebtedness*" means Indebtedness (which also may constitute Balloon Indebtedness, Adjustable Indebtedness or Put Indebtedness) having an original stated maturity or term greater than one year or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

"*Mariners Hospital*" means Mariners Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Master Indenture*" means this Master Trust Indenture dated as of _____, ____ between the Members of the Obligated Group and the Master Trustee, as it may from time to time be amended or supplemented in accordance with the terms hereof.

"*Master Trustee*" means Wells Fargo Bank, N.A., or any successor trustee under the Master Indenture.

"*Material Member*" means any Member which for any of the three Fiscal Years preceding the occurrence of any event described in subsection (f), (g) or (h) of Section 502 hereof (i) shall have had Revenues greater than or equal to ten percent (10%) of the Revenues of the Obligated Group for such Fiscal Year, (ii) shall have had Income Available for Debt Service greater than or equal to ten percent (10%) of Income Available for Debt Service of the Obligated Group for such Fiscal Year, or (iii) shall have owned Property having a Book Value greater or equal to ten percent (10%) of the Book Value of the Property of the Obligated Group for such Fiscal Year.

"*Maximum Annual Debt Service Requirement*" means the largest total Debt Service Requirements for all Funded Indebtedness outstanding for the current or any succeeding Fiscal Year; *provided* that in calculating Maximum Annual Debt Service Requirement for the purposes of applying such provisions, the principal amount of any Indebtedness included in such calculation which is paid during the year with respect to which historical debt service coverage is being calculated shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Indenture or from amounts deposited to provide for such payment pursuant to an amortization schedule established and maintained in accordance with the provisions of Section 412(G)(ii)(a) and (b), which amounts were deposited in Fiscal Years prior to the Fiscal Year in which such principal was paid; *provided further* that principal and interest payments on Indebtedness due on the first day or first Business Day of a month shall be deemed payable during the preceding month if they are required to be fully deposited with a trustee for such Indebtedness during such preceding month.

"*Member*" or "*Member of the Obligated Group*" means any Person who is listed on *Exhibit C* hereto after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"*Net Patient Revenues*" means, for any period, (i) in the case of any Person providing health care services, the sum of (a) net patient service revenues, plus (b) other operating revenues; and (ii) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP, but excluding in any event (a) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course or (b) earnings resulting from any reappraisal, revaluation or write-up of assets; *provided, however,* that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member.

"*Net Rentals*" means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so-called "percentage lease" shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; *provided* that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

"*Non-Recourse Indebtedness*" means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment and the income therefrom, not less than 80% of the cost of which Property, Plant and Equipment shall have been financed solely with the proceeds of such Indebtedness with no recourse, directly or indirectly, to any other Property of any Member.

"*Obligated Group*" means BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in Section 404 hereof and which has not ceased such status pursuant to Section 405 hereof.

"*Obligated Group Agent*" means the BHSF or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee and each Related Issuer executed by the President, Chief Financial Officer or Chairman of the Governing Body of the BHSF or, if the BHSF is no longer a Member of the Obligated Group, of each Member of the Obligated Group.

"*Obligation*" means the Series 2011 Notes, the Series 2017 Notes and any Additional Obligations and any Obligation or Obligations issued in exchange therefor.

"*Obligation holder,*" "*holder*" or "*owner of the Obligation*" means the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation, in which case such alternative provision shall control.

"*Officer's Certificate*" means a certificate signed, in the case of a certificate delivered by a corporation, by the President, any Vice President or any other officer authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Master Trustee.

"*Outstanding*" means, in the case of Indebtedness of a Person other than Related Bonds or Obligations, all such Indebtedness of such Person which has been issued except any such portion thereof cancelled after purchase on the open market or surrender for cancellation or because of payment at or redemption prior to maturity, any such Indebtedness in lieu of which other Indebtedness has been duly issued and any such Indebtedness which is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such Indebtedness.

"*Outstanding Obligations*" or "*Obligations outstanding*" means all Obligations which have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except:

(a) Obligations cancelled after purchase in the open market or because of payment at or prepayment or redemption prior to maturity;

(b) (i) Obligations for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Master Trustee (whether upon or prior to the maturity or redemption date of any such Obligations); *provided* that if such Obligations are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption shall have been given or irrevocable arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee and (ii) Obligations securing Related Bonds for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Obligations); *provided* that if such Related Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Obligations in lieu of which others have been authenticated hereunder; and

(d) For the purpose of all consents, approvals, waivers and notices required to be obtained or given under the Master Indenture, Obligations held or owned by a Member of the Obligated Group.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed outstanding if such Related Bonds are Outstanding.

"*Outstanding Related Bonds*" or "*Related Bonds outstanding*" means all Related Bonds which have been duly authenticated and delivered by the Related Bond Trustee under the Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds which have been so authenticated and delivered, except:

(a) Related Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (ii)(a) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the Related Bond Indenture; *provided* that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture; and

(d) For the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture, Related Bonds held or owned by a Member.

"*BHSF*" means Baptist Health South Florida, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Paying Agent*" means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of and interest on any Related Bonds or designated pursuant to the Master Indenture to receive and disburse the principal of and interest on any Obligations.

"*Permitted Encumbrances*" means the Master Indenture, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

(a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory

obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(b) any Lien on Property acquired by a Member, which Lien secures Indebtedness issued, incurred or assumed by any Member in connection with and to effect such acquisition or existing Indebtedness which will remain outstanding after such acquisition but will not be assumed by a Member, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value of the Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(c) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member;

(d) any Lien on the Property of any Member permitted under the provisions of Section 415 hereof;

(e) any Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

(f) leases which relate to Property of the Obligated Group which leases are of a type that, in the judgment of the Obligated Group Agent, are reasonably necessary or appropriate for or incidental to the use of such Property, taking into account the nature and terms of the leases and the nature and purposes of the Property; any lease of space for specialty services related to the operation of a health care facility such as, but not limited to, pathology, laboratory, x-ray, physical medicine, anesthesiology, electrocardiology, behavioral health, oncology, adult and child day care, and emergency room operations and patient or employee convenience activities such as, but not limited to, day care services, banking services, gift shops, snack shops, barber or beauty shops, flower shops, pharmacy and living accommodations; leases, licenses or similar rights to use Property to which an Obligated Group Member is a party existing as of _____, ____ and any renewals and extensions thereof; any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm's-length transaction;

(g) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 406 hereof;

(h) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(i) any mechanic's, laborer's, materialman's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question or if such Lien is being contested in accordance with the provisions of Section 406 hereof;

(j) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and which do not apply to Property which has been deposited as part of a plan to secure Indebtedness;

(k) zoning laws and similar restrictions which are not violated by the Property affected thereby;

(l) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, rights of the Federal Emergency Management Agency, the United States, the state where the Property is located or any of their regulatory agencies by reason of the provision of disaster or similar aid moneys to a Member and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(m) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(n) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, *provided* that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(o) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a

review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(p) Liens on moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents;

(q) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(r) any security interest in any debt service or interest reserve, debt service fund or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer or the holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture or Related Loan Document or the financial institution committed to provide funds in connection with any related Commitment Indebtedness or any security interest in any rebate or similar fund created pursuant to any agreement entered into in connection with any Related Bond;

(s) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures Commitment Indebtedness and only Commitment Indebtedness;

(t) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse on commercially reasonable terms, *provided* that the principal amount of Indebtedness secured by any such Lien does not exceed the amount of such accounts receivable, and *further provided,* that the total amount of accounts receivable of the Obligated Group sold with recourse which have not been paid shall not at any one time exceed 25% of the total accounts receivable of the Obligated Group as reflected on the most recent audited financial statements of the Obligated Group;

(u) any Lien arising by reason of deposit in trust of cash (or securities permitted for such purpose pursuant to the terms of the documents governing the payment of or discharge of the Indebtedness with respect to which such deposit is made) in an amount which, together with any income generated by such securities, will be sufficient to pay when due, without reinvestment, all of the principal of, premium, if any, and interest on such Indebtedness, as the same shall become due (either until maturity or earlier redemption), which deposit renders such Indebtedness no longer outstanding within the meaning of the documentation governing such Indebtedness and hereunder;

(v) any Lien on cash or securities granted to enable a Member to obtain or maintain self-insurance or to participate in any funds established to cover insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit

sharing plans or similar insurance or social security programs, or which are required in order for a Member to share in the privileges or benefits of such insurance or programs; *provided* that such Lien does not extend to accounts or the proceeds thereof, as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida, so long as such accounts and proceeds are subject to the security interest in Unrestricted Receivables granted under the Master Indenture;

(w) leases entered into in accordance with the disposition of Property provisions set forth in Section 414 of this Master Indenture;

(x) Liens that are (i) statutory liens to banks and other financial institutions, or (ii) contractual rights of set-off (a) relating to the establishment of depository relations with banks and other financial institutions, (b) relating to pooled deposits, sweep accounts, reserve accounts or similar accounts of any Obligated Group Member to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business, including credit card chargebacks and similar obligations, or (c) relating to purchase orders and other agreements entered into with customers, suppliers or service providers incurred by any Obligated Group Member in the ordinary course of business;

(y) any Lien arising in the ordinary course of a Obligated Group Member's security lending activities and in accordance with such Obligated Group Member's investment policies;

(z) Liens on Property, other than the Unrestricted Receivables, created on amounts deposited pursuant to a security annex or similar document to collateralize obligations under an Financial Products Agreement;

(aa) Liens on any Property of an Obligated Group Member to secure any Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the Property subject to such Liens; *provided,* that such Liens shall not apply to any Property theretofore owned by a Obligated Group Member, other than any theretofore unimproved real property on which the Property so constructed or improved is located; and

(bb) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, and which (i) in the case of Property owned by the Members of the Obligated Group on the date of execution of the Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member.

"Permitted Investments" shall mean and include any of the following:

(a) Qualified Investments as defined in the Bond Indenture;

(b) Interest-bearing time or demand deposits, certificates of deposit, repurchase agreements or other similar banking arrangements with any bank, trust company, national banking association or other saving institution (including any Related Bond Trustee or the Master Trustee), *provided* that such deposits, certificates, repurchase agreements and other arrangements are (i) fully insured by the Federal Deposit Insurance Corporation, or (ii) fully collateralized by investments of the type described in subparagraph (a) above, or (iii) in or with a government securities dealer, bank, trust company, national banking association or other savings institution whose unsecured debt obligations are rated in any of the three highest rating categories by each Rating Agency then maintaining a rating on any Obligations or Related Bonds; *provided* that in the case of any Permitted Investments which are repurchase agreements, the investments which are the subject thereof shall be in the possession of the Master Trustee, a Related Bond Trustee or an agent thereof and subject to no prior claims or liens;

(c) Obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from United States Government Obligations which United States Government Obligations are held pursuant to an agreement in form and substance acceptable to the Master Trustee;

(d) Shares or certificates in any short-term investment fund which is maintained by the Master Trustee or a Related Bond Trustee and which is rated in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by each Rating Agency then maintaining a rating on any Obligations or Related Bonds; and

(e) Upon 30 days' prior written notice to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, such other investments which at the time of the acquisition thereof shall be listed as permissible investments for trustee held funds in an indenture, resolution, official statement, offering circular or prospectus prepared in connection with the issuance of any particular series of Obligations issued under this Master Indenture and which other investments are made with respect to or in connection with such Obligations.

"*Person*" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

"*Primary Obligor*" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

"*Projected Debt Service Coverage Ratio*" means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness expected to be outstanding during such period and a denominator of one.

"*Projected Rate*" means, (a) in the case of an obligation the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto, (i) if the obligation with respect to which such Projected Rate is being determined bears interest at a fixed rate until maturity, the interest rate which equals the most recently available Revenue Bond Index as published in *The Bond Buyer* (or such comparable index selected by the Obligated Group Agent if the Revenue Bond Index is no longer published), or (ii) if the obligation with respect to which such Projected Rate is being determined bears interest at a variable rate, a formula rate or a fixed rate per annum based on a varying index, the most recently available Revenue Bond Index as published in *The Bond Buyer* (or such comparable index selected by the Obligated Group Agent if the Revenue Bond Index is no longer published) during the 12 calendar months immediately preceding the date of calculation, in each case, at the election of the Obligated Group Agent, as specified in either an Officer's Certificate of the Obligated Group Agent and (b) in the case of an obligation the interest on which is not entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (i) if the obligation with respect to which such Projected Rate is being determined bears interest at a fixed rate until maturity, the interest rate equal to the rate on United States Treasury Obligations with a maturity as close as available to the proposed taxable indebtedness plus a spread provided by an Independent Consultant which spread will result in a Projected Rate that is reasonably comparable in the view of the Independent Consultant to the current market rate for other similar taxable indebtedness, or (ii) if the obligation with respect to which such Projected Rate is being determined bears interest at a variable rate, LIBOR.

"*Property*" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"*Property, Plant and Equipment*" means all Property of each Member which is classified as property, plant and equipment under GAAP.

"*Put Date*" means (i) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its stated maturity date or (ii) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

"*Put Indebtedness*" means Indebtedness which is (i) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (ii) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

"*Rating Agency*" means Moody's, Standard & Poor's or Fitch and their respective successors and assigns.

"*Related Bonds*" means any revenue bonds or similar obligations issued by any state, commonwealth or territory of the United States or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to such governmental issuer.

"*Related Bond Indenture*" means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

"*Related Bond Trustee*" means the trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

"*Related Issuer*" means the Authority and any other issuer of a series of Related Bonds.

"*Related Loan Document*" means any document or documents (including without limitation any lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, sublet or sold to a Member).

"*Revenues*" means, for any period: (a) in the case of any Person providing health care services, the sum of (i) net patient service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt, termination of pension plans or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), all determined in accordance with GAAP; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in any event (i) any gains on the sale or other disposition of assets not in the ordinary course, (ii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets, (iii) to the extent treated as revenue, any unrealized gain resulting from changes in the valuation of investment securities or Financial Product Agreements, (iv) insurance (other than business interruption) and condemnation proceeds and (v) contributions which are not converted to cash or marketable securities during such period; *provided, however,* that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member.

"*Series 2011 Notes*" means the $250,000,000 Taxable Notes, Series 2011 issued pursuant to the Original Master Indenture in substantially the form attached hereto as *Exhibit A.*

"*Series 2017 Notes*" means the $250,000,000 Taxable Notes, Series 2017 issued pursuant to the Original Master Indenture in substantially the form attached hereto as *Exhibit A.*

"*Short-Term,*" when used in connection with Indebtedness, means having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

"*South Miami Hospital*" means South Miami Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Standard & Poor's*" means Standard & Poor's Ratings Service, a division of The McGraw Hill Companies Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"*Subordinated Indebtedness*" means Indebtedness which meets the requirements set forth in *Exhibit D* hereto.

"*Supplemental Master Indenture*" means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VII hereof.

"*Tax-Exempt Organization*" means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which is not a "private foundation" within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

"*United States Government Obligations*" means noncallable and non-prepayable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America.

"*Unrestricted Cash and Investments*" means unrestricted cash, cash equivalents, and marketable securities, including without limitation, such amounts constituting board designated funds and marketable securities utilized in any securities lending program maintained by the Obligated Group, all as set forth in the most recent audited financial statements of the Obligated Group, minus: (1) all funds held by a Related Bond Trustee or the Master Trustee to the extent the same would otherwise be included as one of the foregoing; (2) borrowed funds that are entrusted with a lender; and (3) the fair market value of collateral required to be posted to secure any Financial Products Agreement pursuant to the terms thereof; *provided, however,* that if any cash, cash equivalent or marketable security is subject to a restriction which limits the use thereof to operations of the Obligated Group, such cash, cash equivalent or marketable security shall be included in "Unrestricted Cash and Investments."

"*Unrestricted Receivables*" means all accounts now owned or hereafter acquired by any Member of the Obligated Group regardless of how generated, and all proceeds therefrom, whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code, as amended, of Florida; excluding, however, gifts, grants, bequests, donations and contributions to any Member heretofore or hereafter made, and the income and gains derived therefrom, which

are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under this Master Indenture or on the Obligations.

"*West Kendall Hospital*" means West Kendall Baptist Hospital, Inc., a Florida not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Written Request*" means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice Chairman, Mayor, Clerk, President, Vice President, Executive Director, Associate Executive Director, Secretary or Assistant Secretary of the Related Issuer and with reference to any Member means a request in writing signed by the President or any Vice President of such Member, or any other officers designated by the Related Issuer or such Member, as the case may be.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa.

Unless otherwise defined or specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, all financial statements required to be delivered hereunder shall be prepared, and all financial records shall be maintained, in accordance with GAAP as in effect from time to time, applied on a basis consistent (except for such changes approved by the firm auditing the financial statements of BHSF) with the audited financial statements of BHSF and affiliates as of and for the Fiscal Year ending September 30, 2016; provided that,

(i) all such terms shall be deemed to exclude revenues, expenses, assets (except as hereinafter provided), liabilities and other financial information of any entity which is not a Member of the Obligated Group but whose financial information is required to be combined or consolidated with the financial information of any Member of the Obligated Group or whose income or loss is reflected in such financial information of the Obligated Group as a result of utilizing the equity method of accounting for subsidiaries; *provided* that the value of any interest of the Members of the Obligated Group in subsidiaries which subsidiaries are not Members of the Obligated Group shall be reflected in the financial statements of the Members of the Obligated Group in accordance with such equity method; and

(ii) if there is any change in GAAP which results in a material change in the method of calculation of any covenant in Article IV and, as a result thereof, the Obligated Group Agent notifies the Master Trustee that the Obligated Group wishes to amend any covenant to eliminate the effect of any such change on the operation of such covenant, then the Obligated Group and the Master Trustee shall amend this Master Indenture so as to equitably reflect such change, with the desired result that the criteria for calculating such covenant shall be the same after such change as if such change had not been made and, until such notice is withdrawn or such covenant is amended in a manner satisfactory to the Obligated Group Agent, the Obligated Group's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change became effective.

All references in any provision herein to generally accepted accounting principles shall be deemed to be similarly qualified regardless of whether specifically so qualified in such provision.

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

ARTICLE II.

THE OBLIGATIONS

Section 201. Series, Designation and Amount of Obligations. No Obligations may be issued under the provisions of this Master Indenture except in accordance with this Article. The total principal amount of Obligations, the number of Obligations and the series of Obligations that may be created under this Master Indenture is not limited except as is set forth with respect to any series of Obligations in the Supplemental Master Indenture providing for the issuance thereof. Each series of Obligations shall be issued pursuant to a Supplemental Master Indenture. Each series of Obligations shall be designated so as to differentiate the Obligations of such series from the Obligations of any other series. Unless provided to the contrary in a Supplemental Master Indenture, Obligations shall be issued as fully registered Obligations with the Obligations of each series to be lettered and numbered R-1 and upward.

Section 202. Payment of Obligations. The principal of, premium, if any, and interest on the Obligations shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the designated corporate trust office of the Master Trustee in Orlando, Florida or at the office of any alternate Paying Agent or agents named in any such Obligations or in a Related Bond Indenture. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued or the election referred to in the next sentence is made, payment of the interest on the Obligations shall be made to the person appearing on the Obligation registration books of the Obligated Group (kept in the designated corporate trust office of the Master Trustee as Obligation Registrar) as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by such holder; *provided, however,* that any Supplemental Master Indenture creating any Additional Obligation may provide that interest on such Additional Obligation may be paid, upon the request of the holder of such Additional Obligation, by wire transfer. The foregoing notwithstanding, if a Member so elects, payments on such Obligation shall be made directly by such Member, by check or draft hand delivered to the holder thereof or its designee or shall be made by such Member by wire transfer to such holder, in either case delivered on or prior to the date on which such payment is due. Such Member shall give notice of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Obligation or Obligations with respect to

which such payment was made by series, designation, number and registered holder. Except with respect to Obligations directly paid and with respect to Obligations as to which more specific or contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligations are issued, the Members agree to deposit with the Master Trustee prior to each due date of the principal of, premium, if any, or interest on any of the Obligations a sum sufficient to pay such principal, premium, if any, or interest so becoming due. Any such moneys shall upon Written Request and direction of the Obligated Group Agent be invested in Permitted Investments. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Obligations pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Document. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments made in accordance with the terms hereof. Supplemental Master Indentures may create such security including debt service reserve funds and other funds as are necessary to provide for payment or to hold moneys deposited for payment or as security for a related series of Additional Obligations.

Section 203. Execution. Obligations shall be executed on behalf of a Member by the manual or, if permitted by law, facsimile signature of its Chairman of the board of trustees, President or any Vice President and shall have impressed or printed by facsimile thereon the corporate seal of such Member, if required by law or the initial Obligation holder, which shall be attested by the manual or, to the extent permitted by law, facsimile signature of its Secretary or any Assistant Secretary. In case any officer whose signature or facsimile of whose signature shall appear on the Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 204. Authentication. No Obligation shall be valid or obligatory for any purpose or entitled to any security or benefit under this Master Indenture unless and until a certificate of authentication on such Obligation substantially in the form set forth below shall have been duly executed by the Master Trustee, and such executed certificate of the Master Trustee upon any such Obligation shall be conclusive evidence that such Obligation has been authenticated and delivered under this Master Indenture. The Master Trustee's certificate of authentication on any Obligation shall be deemed to have been executed by it if signed by an authorized officer or signer of the Master Trustee, but it shall not be necessary that the same officer or signer sign the certificate of authentication on all of the Obligations issued hereunder.

The Master Trustee's authentication certificate shall be in substantially the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Obligation is one of the Obligations described in the within-mentioned Master Indenture.

_____,
as Master Trustee

By _____
Authorized Officer

Section 205. Form of Obligations and Temporary Obligations. All Additional Obligations issued under this Master Indenture shall be substantially in the form set forth in the Supplemental Master Indenture pursuant to which such Additional Obligations are issued, in each case with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or deemed necessary by the Master Trustee to reflect the terms and conditions thereof as established hereby and by any Supplemental Master Indenture. Unless Obligations of a series have been registered under the Securities Act of 1933, as amended, each Obligation of such series shall be endorsed with a legend which shall read substantially as follows: "This Obligation has not been registered under the Securities Act of 1933, as amended."

Obligations of any series may be initially issued in temporary form exchangeable for definitive Obligations of the same series when ready for delivery. The temporary Obligations shall be of such denomination or denominations as may be determined by the Member executing the same, and may contain such reference to any of the provisions of this Master Indenture as may be appropriate. Every temporary Obligation shall be executed by a Member and be authenticated by the Master Trustee upon the same conditions and in substantially the same manner as the definitive Obligations. If any Member issues temporary Obligations it will execute and furnish definitive Obligations without delay and thereupon the temporary Obligations may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Master Trustee, and the Master Trustee shall authenticate and deliver in exchange for such temporary Obligations an equal aggregate principal amount of definitive Obligations of the same series and maturity of authorized denominations. Until so exchanged, the temporary Obligations shall be entitled to the same benefits under this Master Indenture as definitive Obligations authenticated and delivered hereunder.

Section 206. Mutilated, Lost, Stolen or Destroyed Obligations. In the event any temporary or definitive Obligation is mutilated, lost, stolen or destroyed, the Member issuing such Obligation may execute and the Master Trustee may authenticate a new Obligation of like form, date, maturity and denomination as that mutilated, lost, stolen or destroyed; *provided* that, in the case of any mutilated Obligation, such mutilated Obligation shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Obligation, there shall be first furnished to such Member and the Master Trustee evidence of such loss, theft or destruction satisfactory to such Member and the Master Trustee, together with indemnity satisfactory to them. In the event any such Obligation shall have matured, instead of issuing a duplicate Obligation the Obligated Group may pay the same without surrender thereof. The Obligated

Group and the Master Trustee may charge the holder or owner of such Obligation with their reasonable fees and expenses in this connection.

Section 207. Registration; Negotiability; Cancellation upon Surrender; Exchange of Obligations. Upon surrender for transfer of any Obligation at the designated corporate trust office of the Master Trustee, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Obligation or Obligations of the same series, designation and maturity without coupons for a like aggregate principal amount.

The execution by a Member of any Obligation of any denomination shall constitute full and due authorization of such denomination and the Master Trustee shall thereby be authorized to authenticate and deliver such Obligation.

The Master Trustee shall not be required to transfer or exchange any Obligation during the period of 15 days next preceding any interest payment date of such Obligation or to transfer or exchange any Obligation after the notice calling such Obligation or portion thereof for redemption has been given as herein provided, or during the period of 15 days next preceding the mailing of such notice of redemption with respect to any Obligation of the same series and maturity.

As to any Obligation, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Obligation shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid.

Any Obligation surrendered for the purpose of payment or retirement or for replacement pursuant to Section 206 hereof shall be cancelled upon surrender thereof to the Master Trustee or any Paying Agent. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued, if any Member shall acquire any of the Obligations, such Member shall deliver such Obligations to the Master Trustee for cancellation and the Master Trustee shall cancel the same. Any such Obligations cancelled by any Paying Agent other than the Master Trustee shall be promptly transmitted by such Paying Agent to the Master Trustee. Certification of Obligations cancelled by the Master Trustee and Obligations cancelled by a Paying Agent other than the Master Trustee which are transmitted to the Master Trustee shall be made to the Obligated Group Agent. Cancelled Obligations may be destroyed by the Master Trustee unless instructions to the contrary are received from the Obligated Group Agent.

The Obligated Group and the Master Trustee may charge each Obligation holder requesting an exchange, registration, change in registration or transfer of an Obligation any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

Section 208. Security for Obligations. Any one or more series of Obligations issued hereunder may, so long as any Liens created in connection therewith constitute Permitted Encumbrances, be secured by security (including without limitation letters or lines of credit, insurance or Liens on Property, including health care Facilities of the Obligated Group, or security interests in a depreciation reserve, debt service or interest reserve or debt service or similar funds). Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). Consequently, the Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

Section 209. Issuance of Obligations in Forms Other Than Notes. To the extent that any Indebtedness which is permitted or required to be issued pursuant to this Master Indenture is not in the form of a promissory note, an Obligation in the form of a promissory note may be issued hereunder and pledged as security for the payment of such Indebtedness in lieu of directly issuing such Indebtedness as an Obligation hereunder. Nevertheless, the parties hereto agree that Obligations may be issued hereunder to evidence any type of Indebtedness (other than Non-Recourse Indebtedness), including without limitation any Indebtedness in a form other than a promissory note. Consequently, the Supplemental Master Indenture pursuant to which any Obligation is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to permit the issuance of such Obligation hereunder and as are not inconsistent with the intent hereof that, except as otherwise expressly provided herein, all Obligations issued hereunder be equally and ratably secured by any lien created hereunder.

In addition, any Financial Product Agreement authenticated as provided in Section 204 hereof by the Master Trustee shall be equally and ratably secured by any lien created under this Master Indenture with all other Obligations. For purposes of Financial Product Agreements, each holder of a Financial Product Agreement which has been authenticated as an Obligation hereunder shall be deemed a holder of an Obligation only for purposes of receiving payment under this Master Indenture and shall not be entitled to exercise any consent or other rights hereunder.

Section 210. Appointment of Obligated Group Agent. Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Agent as its agent and true and lawful attorney in fact and grants to the Obligated Group Agent (a) full and exclusive power to execute Supplemental Master Indentures authorizing the issuance of Obligations or series of Obligations, to execute and deliver Obligations on behalf of such Obligated Group Member, to execute and deliver Related Loan Documents and to execute and deliver any other documents or instruments relating to or securing any borrowings, indebtedness, obligations or the like, including without limitation notes, bonds, debentures, Capitalized Leases, Financial Products Agreements, mortgages, deeds of trust, security agreements, and financing statements, (b) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Obligations hereunder, or Related Bonds associated therewith, or Financial Products

Agreements and to execute and deliver such items on behalf of such Obligated Group Member to the appropriate parties in connection therewith and (c) full authority to exercise all other powers granted hereunder to the Obligated Group Agent.

Section 211. Payments on Obligations Issued to Secure or Evidence Financial Products Agreements.

(a) Notwithstanding anything to the contrary in any Swap Obligation (as hereinafter defined), this Master Indenture, or any related agreement, document, or instrument:

(1) No Excluded Member shall have any payment obligation, whether direct or by guarantee, on any Swap Obligation; and

(2) no Person, including the Master Trustee or the owner or holder of such Swap Obligation, may exercise any right to enforce payment pursuant to any Swap Obligation by any Excluded Member, which rights are hereby relinquished, waived and released.

(b) As used in this Section 211, the following terms shall have the following meanings:

(c) (i) "*CEA*" means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute, including any rule or regulation promulgated thereunder, any order of the CFTC relating thereto, or the application or official interpretation of any of the foregoing.

(d) "*CFTC*" means the Commodity Futures Trading Commission.

(e) "*ECP*" means an "eligible contract participant" as defined in the CEA.

(f) "*Eligibility Date*" means, with respect to any Obligated Group Member (A) the date on which a Swap Obligation becomes effective if the relevant transaction was executed prior to such effective date and the relevant Obligated Group Member is an Obligated Group Member on such effective date and such Obligated Group Member is an ECP on such effective date, (B) the date of the execution of the relevant transaction if the applicable Swap Obligation is then in effect and such Obligated Group Member is an Obligated Group Member and an ECP on the date of such execution, (C) the date on which such Obligated Group Member becomes an Obligated Group Member if the Obligated Group Member is an ECP and the relevant transaction was executed prior to such date and the applicable Swap Obligation is then in effect or (D) the date on which any Obligated Group Member becomes an ECP if the relevant transaction was executed prior to such date and the applicable Swap Obligation is then in effect (or becomes effective on such date of execution).

(g) "*Excluded Member*" means any Obligated Group Member, if, and to the extent that, the performance by such Obligated Group Member of all or a portion of a Swap Obligation is illegal under the CEA because no Eligibility Date has yet occurred with respect to such

Obligated Group Member [and such Swap Obligation. The foregoing exclusion shall apply only to the portion of such Swap Obligation that is attributable to transactions under an Financial Products Agreement for which such performance is or becomes illegal.

(h) "*Swap Obligation*" means any Obligation evidencing or securing an Financial Products Agreement or any other obligation to pay or perform under any Obligation in respect of any one or more transactions under an Financial Products Agreement.

The foregoing definitions shall be construed in a manner that is consistent with Section 2(e) of the CEA.

Section 212. Assumption of Existing Obligations. The Existing Obligations shall be secured by this Master Indenture. By their execution hereof, each Obligated Group Member agrees to be jointly and severally liable with each other Obligated Group Member for the payment of all principal of, interest on, and premium on, all Existing Obligations, as fully as though each of such Obligated Group Members had executed each of the Existing Obligations and had expressly agreed to be jointly and severally liable for such payment. A copy of each Existing Obligation is attached hereto as *Exhibit A*.

ARTICLE III.

PREPAYMENT OR REDEMPTION OF OBLIGATIONS

*Section 301. Prepayment or Redemption Dates and Prices*Obligations shall be subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity as provided in this Master Indenture or the Supplemental Master Indenture pertaining to the series of Obligations to be prepaid or redeemed, but not otherwise.

To the extent not otherwise provided herein or in a Supplemental Master Indenture, the Obligated Group shall have the right to prepay or redeem all or such portion of the Obligations of any particular series as shall be necessary to effect the payment, prepayment, redemption, refunding or advance refunding of the series of Related Bonds secured by such Obligations or any portion thereof in the manner provided in the Related Bond Indenture. If called for prepayment or redemption in such events, the Obligations of such series shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or the portion of the series of Related Bonds to be refunded, advance refunded or redeemed.

Except for prepayment or redemption made pursuant to the immediately preceding paragraph and except to the extent that contrary provision is made in the Supplemental Master Indenture pursuant to which a series of Obligations is issued, no redemption of less than all of the Obligations of a particular series at the time outstanding shall be made pursuant hereto unless the aggregate principal amount of such Obligations to be redeemed is equal to or more than $100,000.

Unless contrary provision is made in the Supplemental Master Indenture pursuant to which a series of Obligations is issued or in a Related Loan Document, Obligations may be called for optional prepayment or redemption by the Master Trustee pursuant to this Section 301 upon receipt by the Master Trustee at least 45 days prior to the redemption date of a certificate of the Obligated Group Agent requesting such prepayment or redemption and a resolution of a Member designating funds for such prepayment or redemption. Such certificate shall specify the particular series and the principal amount of such series of Obligations so to be called for prepayment or redemption (and if less than all of a series is to be prepaid, the maturities or portions thereof), the applicable prepayment or redemption price or prices and the provision or provisions of this Master Indenture or any Supplemental Master Indenture pursuant to which such Obligations are to be called for prepayment or redemption.

Obligations of any series with respect to which a sinking fund has been established shall be redeemed by the Master Trustee pursuant to the provisions of such sinking fund and Obligations to be mandatorily redeemed or paid at maturity shall be redeemed or paid at maturity, as the case may be, in accordance herewith and with any Supplemental Master Indenture pursuant to which such Obligations were issued, in both cases without any notice from or direction of any Member.

In lieu of prepaying or redeeming Obligations pursuant to this Section 301, the Master Trustee may, at the request of the Obligated Group Agent, use funds otherwise available hereunder for the redemption of such Obligations to purchase such Obligations in the open market at a price not exceeding the redemption price then applicable hereunder.

In addition to the redemptions herein provided which are applicable to all Obligations, each series of Additional Obligations shall be redeemable in the manner, at the time or times, at the premiums, if any, and upon the terms specified in the Supplemental Master Indenture pursuant to which such Obligations were issued or in a Related Loan Document.

Section 302. Notice of Prepayment or Redemption. Except as permitted by Section 301 above or unless contrary provision is made with respect to a particular series of Obligations in the Supplemental Master Indenture pursuant to which such Obligations are issued, notice of the call for any such prepayment or redemption identifying the Obligations to be prepaid or redeemed shall be given by mailing a copy of such notice by registered or certified mail to each Related Issuer and to the registered owner of Obligations to be prepaid or redeemed to the address shown on the registration books maintained by the Master Trustee not less than 30 days prior to the prepayment or redemption date; *provided, however,* that failure to give such notice by mailing or a defect in the notice or the mailing to any particular Obligation holder will not affect the validity of the prepayment or redemption of any other Obligation. Upon the happening of the above conditions and if sufficient moneys have been deposited with the Master Trustee and are available to pay the principal of, premium, if any, and interest on the Obligation to be prepaid or redeemed to the prepayment or redemption date, the Obligations, or portions thereof, thus called shall not bear interest after the applicable prepayment or redemption date, shall no longer be protected by this Master Indenture and shall not be deemed to be outstanding under the provisions of this Master Indenture. The Master Trustee shall prepay or redeem, in the manner provided in this Article, such an aggregate principal amount of such Obligations of the series to

be prepaid or redeemed at the principal amount thereof plus accrued interest to the prepayment or redemption date and premium, if any, as will exhaust as nearly as practicable such funds. At the written direction of the Obligated Group Agent, such funds may be invested in Escrow Obligations until needed for prepayment or redemption payout.

Section 303. Partial Prepayment or Redemption of Obligations. Upon surrender of any Obligation for prepayment or redemption in part only, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver to the holder thereof, at the expense of the Obligated Group, a new registered Obligation or Obligations of the same series and maturity of authorized denominations in aggregate principal amount equal to the unpaid portion of the Obligation surrendered. Such Member and the Master Trustee may agree with any holder of any Obligation that such holder may, in lieu of surrendering the same for a new registered Obligation, endorse on such Obligation a notice of such partial prepayment or redemption to be made on the following form which shall be typed or printed on the reverse side of such Obligation:

PAYMENTS ON ACCOUNT OF PRINCIPAL

PAYMENT DATE	PRINCIPAL AMOUNT PREPAID OR REDEEMED	BALANCE OF PRINCIPAL AMOUNT UNPAID	SIGNATURE

Such partial prepayment or redemption shall be valid upon payment of the amount thereof to the registered owner of any such registered Obligation and the Obligated Group and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of such Obligation by the owner thereof and irrespective of any error or omission in such endorsement.

Section 304. Effect of Call for Prepayment or Redemption. On the date designated for prepayment or redemption by notice given as herein provided, the Obligations so called for prepayment or redemption shall become and be due and payable at the prepayment or redemption price provided for prepayment or redemption of such Obligations on such date. If on the date fixed for prepayment or redemption moneys for payment of the prepayment or redemption price and accrued interest are held by the Master Trustee or any other Paying Agent as provided herein, interest on such Obligations so called for prepayment or redemption shall cease to accrue, such Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Master Trustee or the Paying Agents and the amount of such Obligations so called for prepayment or redemption shall be deemed paid and no longer outstanding.

ARTICLE IV.

GENERAL COVENANTS

Section 401. Payment of Principal, Premium, If Any, and Interest. The Members of the Obligated group agree that each Obligation issued hereunder shall constitute a general obligation of each Member of the Obligated Group secured to the extent provided herein. Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly and severally covenants that it will promptly pay the principal of, premium, if any, and interest on every Obligation issued under this Master Indenture at the place, on the dates and in the manner provided herein and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth herein or in the Obligations, each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time outstanding. If any Member does not tender payment of any installment of principal, premium or interest on any Obligation when due and payable, the Master Trustee shall provide prompt written notice of such nonpayment to such Member and the Obligated Group Agent.

Section 402. Performance of Covenants. Each Member covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Indenture and in each and every Obligation executed, authenticated and delivered hereunder and agrees to be jointly and severally liable with each other Member for such performance.

Section 403. Representations and Warranties by the Obligated Group. BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital each makes the following representations and warranties with respect to itself as the basis for its covenants herein:

(a) It is a not for profit corporation duly incorporated under the laws of the State of Florida, is in good standing and duly authorized to conduct its business and affairs in Florida, is duly authorized and has full power under the laws of Florida and all other applicable provisions of law and its articles of incorporation and by-laws to create, issue, enter into, execute and deliver this Master Indenture, and all action on its part necessary for the valid execution and delivery of this Master Indenture and the valid creation, issuance and delivery of the Obligations have or will be duly and effectively taken; and the Obligations in the hands of the holders thereof will be the legal and valid obligation of the Members of the Obligated Group.

(b) The execution and delivery of this Master Indenture, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions

hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon any of its Property except for Permitted Encumbrances. It has good and marketable fee simple title to all of its Property constituting real property and good and marketable title to all of its other Property, in all cases free and clear of all Liens except for Permitted Encumbrances. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments on adjoining real estate, if any, now existing with respect to its Property do not and will not materially adversely affect the value of the Property currently affected thereby, materially impair the same, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which it was acquired or is held by it. Its Property does not violate any applicable zoning, land use, environmental or similar law or restriction. The recitals of fact and statements contained in this Master Indenture and in each Related Loan Document with respect to it are or, in the case of Related Loan Documents entered into in the future, will be true.

(c) It has all necessary licenses and permits to occupy and operate its existing Facilities.

(d) It is a Tax-Exempt Organization; it has received determination letters from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization which letters are still in full force and effect; and it has no "unrelated business taxable income" as defined in Section 512 of the Code which could have a material adverse effect on its status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, would have a material adverse effect on its condition, financial or otherwise.

(e) It has not heretofore engaged in, and the consummation of the transactions herein provided for and compliance by it with the provisions of this Master Indenture and the Obligations issued hereunder will not involve, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as *"ERISA"*) or Section 4975 of the Code. Except as disclosed in the Official Statement, no "employee pension benefit plans," as defined in ERISA (herein sometimes referred to as *"Plans"*), maintained by it and no trusts created thereunder have incurred any "accumulated funding deficiency" as defined in Section 302 of ERISA and the present value of all benefits vested under all Plans did not exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

Section 404. Entrance into the Obligated Group. Any Person may become a Member of the Obligated Group if:

(a) Such Person is a corporation or a limited liability company unless the opinion of Independent Counsel referred to in Subsection (d)(2) of this Section 404

specifically states that, in the opinion of such counsel, the rights and remedies contained in Article V hereof, as the same may be amended from time to time, are adequate to enforce the Master Indenture in accordance with its terms against such other entity, subject to the exceptions otherwise permitted in such Subsection (d)(2);

(b) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture acceptable to the Master Trustee which shall be executed by the Master Trustee and by or on behalf of each then current Member, containing (i) the agreement of such Person (A) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Indenture and (B) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof) to jointly and severally make payments upon each Obligation at the times and in the amounts provided in each such Obligation and (ii) representations and warranties by such Person substantially similar to those set forth in Section 403 other than those contained in Section 403(d) if such Person is not a Tax-Exempt Organization and except that any representation regarding incorporation and good standing shall refer to the actual state of incorporation of such person (but with such deviations as are acceptable to the Master Trustee);

(c) The Obligated Group Agent shall, by appropriate action of its Governing Body, have approved the admission of such Person to the Obligated Group and each of the Members shall have taken such action, if any, required to approve the admission of such Person to the Obligated Group;

(d) The Master Trustee shall have received (1) a certificate of the Obligated Group Agent which demonstrates that, immediately upon such Person becoming a Member of the Obligated Group (A) the Members would not, as a result of such transaction, be in default in the performance or observance of any covenant or condition to be performed or observed by them hereunder, and (B) the Obligated Group could meet the conditions described in Section 412(A) for the incurrence of one dollar of additional Funded Indebtedness, (2) an opinion of Independent Counsel to the effect that (x) the instrument described in paragraph (b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to the exceptions set forth in *Exhibit B* hereto and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status, and (3) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee), to the effect that under then existing law the consummation of such transaction, whether or not contemplated on the date of delivery of any such Related

Bond, would not adversely affect the validity of any Related Bond or any exemption from federal income taxation of interest payable on such Related Bond otherwise entitled to such exemption; *provided* that in making the calculation called for by subsection (d)(1)(B) above, (i) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs and (ii) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs; and

(e) *Exhibit C* is amended to add such Person as a Member.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above-described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status.

Section 405. Cessation of Status as a Member of the Obligated Group. Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to cease to be a Member of the Obligated Group unless:

(a) the Member proposing to withdraw from the Obligated Group is not a party to any Related Loan Documents with respect to Related Bonds which remain outstanding or another Member of the Obligated Group delivers an Obligation issued under the Master Indenture securing all of the obligations of such withdrawing Members under the Related Loan Documents on substantially the same terms as in effect before such withdrawing Member's withdrawal;

(b) prior to cessation of such status, there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(c) when it is assumed that such cessation results in a transfer of Property owned by the Member proposing to cease such status to a Person who is not a Member of the Obligated Group, the conditions precedent to such a transfer to an unrelated entity set forth in Section 414(G) hereof have been complied with;

(d) prior to and immediately after such cessation, no event of default exists hereunder and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default;

(e) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status; and

(f) prior to cessation of such status, each Member of the Obligated Group consents in writing to the withdrawal by such Member.

Upon such cessation in accordance with the foregoing provisions, *Exhibit C* shall be amended to delete therefrom the name of such Person.

The foregoing notwithstanding, Baptist Hospital agrees that it will be a Member of the Obligated Group so long as the Existing Obligations or any portion of any thereof remains outstanding within the meaning of this Master Indenture.

Section 406. Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest. Each Member hereby covenants to:

(a) Except as otherwise expressly provided or permitted herein (i) remain a Member throughout the remaining term of this Master Indenture subject to the provisions of Section 405 hereof permitting Members to cease such status, (ii) preserve its corporate or other separate legal existence, (iii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and (iv) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; *provided, however,* that nothing contained in this Master Indenture shall be construed to obligate such Member to retain, preserve or keep in effect the rights, licenses or qualifications no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(b) With respect to any Member which is, on the date it becomes a Member, a not for profit corporation, maintain its status under any relevant federal or state law as a not for profit corporation throughout the term of this Master Indenture.

(c) At all times use its Facilities only in furtherance of its lawful corporate purposes and cause its business to be carried on and conducted and its Property and each part thereof to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all necessary and proper repairs (interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen), renewals and replacements thereof so that its operations and business shall at all times be conducted in an efficient, proper and advantageous manner; *provided, however,* that nothing herein contained shall be construed (i) to prevent it from ceasing to operate any portion of its Property, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body) it is advisable not to

operate the same, or if it intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such sale or other disposition, or (ii) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(d) Pay or cause to be paid: (i) all taxes, levies, assessments and charges on account of the use, occupancy or operation of its Property, including but not limited to all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric, light, power or other utility charges assessed or charged on or against its Property or on account of its use or occupancy thereof or the activities conducted thereon or therein; and (ii) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed during the term of this Master Indenture upon all or any part of its Property, or its interest or the interest of any Related Issuer or either of them in and to its Property, or upon its interest or the interest of any Related Issuer or the interest of either of them in this Master Indenture or the amounts payable hereunder or under the Obligations. If under applicable law any such tax, levy, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, any Member may exercise such option.

(e) Not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

(f) At its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof which may be applicable to it or any of its affairs, business, operations and Property, any part thereof, any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults and vault spaces adjoining any of its Property or any part thereof or to the use or manner of use, occupancy or condition of any of its Property or any part thereof.

(g) Promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable which if not so paid, satisfied or discharged would constitute a default or an event of default under Section 502(d) hereof.

(h) At all times comply with all terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

(i) Procure and maintain all necessary licenses and permits and use its best efforts to maintain the status of its health care Facilities (other than those not currently having such status or not having such status on the date a Person becomes a Member

hereunder) as providers of health care services eligible for payment under those third-party payment programs which its Governing Body determines are appropriate.

(j) In the case of the BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and any Member which is a Tax-Exempt Organization at the time it becomes a Member, so long as the Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, to take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

(k) Operate all of its Facilities so as not to discriminate on a legally impermissible basis.

(l) In the case of the BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital, South Miami Hospital and West Kendall Hospital and each Member which is a Tax-Exempt Organization at the time it becomes a Member, not distribute any of its revenues, income or profits, whether realized or unrealized, to any of its members, directors or officers or allow the same to inure to the benefit of any private person, association or corporation, other than for the lawful corporate purposes of such Member, as the case may be; *provided, further,* that no such distribution shall be made which is not permitted by the legislation pursuant to which such Member is governed or which would result in the loss or alteration of its status as a Tax-Exempt Organization.

The foregoing notwithstanding, any Member may (i) cease to be a not for profit corporation, (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization or (iii) distribute its revenues, income or profits to any of its members, directors or officers or allow the same to inure to the benefit of a private person, association or corporation if (1) prior thereto there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form and other aspects thereof, are acceptable to the Master Trustee) to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Member and (2) after such action the Obligated Group could meet the conditions described in Section 412(A) for the incurrence of one dollar of additional Funded Indebtedness.

No Member shall be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to herein above, to remove any Lien required to be removed under this Section, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than any

Obligations), demands and claims against it or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation or requirement referred to in this Section, so long as such Member shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien so contested, and the sale, forfeiture, or loss of its Property or any part thereof, *provided,* that no such contest shall subject any Related Issuer, any Obligation holder or the Master Trustee to the risk of any liability. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien being contested unless such Member agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Member will save all Related Issuers, all Related Bond Trustees, all Obligation holders and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. Each Member hereby waives, to the extent permitted by law, any right which it may have to contest (i) any Obligation issued for the benefit of another Member or (ii) any Obligation issued to secure or in connection with Related Bonds.

If the Master Trustee shall notify such Member that, in the opinion of Independent Counsel, by nonpayment of any of the foregoing items the Property of such Member or any substantial part thereof will be subject to imminent loss or forfeiture, then such Member shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

Section 407. Risk Management. The Obligated Group agrees to maintain a comprehensive risk management program. Pursuant to such program, the Obligated Group shall take such actions as the Obligated Group Agent determines, in its sole judgment, are prudent and appropriate to protect the Obligated Group's Property, the operation thereof and its business against the potential adverse financial effects of such casualties, contingencies and other risks as the Obligated Group Agent concludes are applicable to the Obligated Group's Property, the operation thereof and its business. Pursuant to such program, the Obligated Group Agent may elect not to obtain commercial insurance with respect to any particular risk and not to maintain any specifically identified cash reserves with respect thereto.

Section 408. Right to Perform Members' Covenants; Advances. In the event any Member shall fail to (i) pay any tax, charge, assessment or imposition to the extent required hereunder, (ii) remove any Lien or terminate any lease to the extent required hereunder, (iii) maintain its Property in repair to the extent required hereunder, (iv) procure the insurance required hereby, in the manner herein described, or (v) fail to make any other payment or perform any other act required to be performed hereunder, and is not contesting the same in accordance with Section 406 hereof, then and in each such case the Master Trustee may (but

shall not be obligated to) remedy such failure for the account of such Member and make advances for that purpose. No such performance or advance shall operate to release such Member from any such failure and any sums so advanced by the Master Trustee shall be repayable by such Member on demand and shall bear interest at the Master Trustee's announced prime rate per annum from time to time in effect, from the date of the advance until repaid. The Master Trustee shall have the right of entry on such Member's Property or any portion thereof, in order to effectuate the purposes of this Section, subject to the permission of a court of competent jurisdiction, if required by law.

Section 409. Rates and Charges. Each Member covenants and agrees to operate all of its Facilities on a revenue-producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it hereunder to the extent permitted by law. Each Member further covenants and agrees that it will from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

The Members covenant and agree that they will cause the accountants certifying the report referred to in Section 414(B) hereof to calculate the Income Available for Debt Service of the Obligated Group for the Fiscal Year covered by such report and to calculate the Maximum Annual Debt Service Requirement of the Obligated Group and to deliver a copy of such calculation to the Persons to whom such report is required to be delivered under such Section 414.

If in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service Requirement of the Obligated Group, the Obligated Group shall, at its expense, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Income Available for Debt Service to at least 110% of the Maximum Annual Debt Service Requirement of the Obligated Group.

A copy of the Consultant's report and recommendations, if any, shall be filed with each Member, the Master Trustee, each Related Bond Trustee and each Related Issuer. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined by the Governing Body of such Member and each Related Issuer) and permitted by law. This Section shall not be construed to prohibit any Member from serving indigent patients to the extent required for such Member to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section.

The foregoing provisions notwithstanding, if in any Fiscal Year the Income Available for Debt Service of the Obligated Group is less than 110% of the Maximum Annual Debt Service

Requirement of the Obligated Group, the Obligated Group shall not be required to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a copy to each Related Bond Trustee and Related Issuer) a written report addressed to them of a Consultant (which Consultant and report, including without limitation the scope, form, substance and other aspects of such report, are acceptable to the Master Trustee) which contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year in an amount sufficient to equal or exceed 110% of its Maximum Annual Debt Service Requirement and, unless waived by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Income Available for Debt Service of the Obligated Group for such Fiscal Year was at least 100% of the Maximum Annual Debt Service Requirement of the Obligated Group. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee, Related Bond Trustee and Related Issuer an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Section 410. Merger, Consolidation, Sale or Conveyance. (a) Each Member agrees that it will not merge into, or consolidate with, one or more corporations which are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(i) Any successor corporation to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Indenture to be kept and performed by such Member;

(ii) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Document or this Master Indenture;

(iii) Immediately after such merger or consolidation, or such sale or conveyance, the condition described in Section 415(ii)(a) would be met for the creation

of a Lien on Property and the condition described in Section 412(A)(ii) or (iii) would be met for the incurrence of one dollar of additional Funded Indebtedness, assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation; and

(iv) If all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance, whether or not contemplated on the original date of delivery of such Related Bonds, would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and the predecessor corporation shall be released from its obligations hereunder and under any Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation hereunder shall in all respects have the same legal rank and benefit under this Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(d) The Master Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Section and that it is proper for the Master Trustee under the provisions of Article VII and of this Section to join in the execution of any instrument required to be executed and delivered by this Section.

Section 411. Financial Statements, Etc. The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP in use in the United States consistently applied (i) except to the extent provided in the final paragraph of Article I hereof and (ii) except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (A) below. To the extent that GAAP would require consolidation of certain financial information of

entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with GAAP which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 414 so long as: (a) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Master Trustee with the audited financial statements; (b) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Master Trustee and, in the opinion of the accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (c) such supplemental information is used for the purposes hereof or for any agreement, document or certificate executed and delivered in connection or pursuant to this Master Indenture. The Members further covenant that they will furnish to the Master Trustee and any Related Bond Trustee:

(A) As soon as practicable after they are available, but in no event more than 150 days after the last day of each Fiscal Year, a financial report for such Fiscal Year certified by a firm of nationally recognized independent certified public accountants selected by the Obligated Group Agent covering the operations of the Obligated Group for such Fiscal Year and containing an audited combined balance sheet as of the end of such Fiscal Year, and an audited combined statement of changes in net assets for such Fiscal Year and an audited combined statement of revenues and expenses for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, and an unaudited combining balance sheet as of the end of such Fiscal Year and an unaudited combining statement of revenues and expenses for such Fiscal Year, together with a separate written statement of the accountants preparing such report that such accountants have obtained no knowledge of any default by any Member in the fulfillment of any of the financial terms or covenants of this Master Indenture, or if such accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof (but such accountants shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default).

(B) At the time of delivery of the financial report referred to in subsection (A) above, a certificate of the Obligated Group Agent signed by its President or any Vice President, stating that the Obligated Group Agent has made a review of the activities of each Member during the preceding Fiscal Year for the purpose of determining whether or not the Members have complied with all of the terms, provisions and conditions of this Master Indenture and that each Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Master Indenture on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, or if any Member shall be in default such certificate shall specify all such defaults and the nature thereof.

(C) Such additional information as the Master Trustee, or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee, or such Related Bond Trustee to determine whether the covenants, terms and

provisions of this Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated and compensated by the Master Trustee (subject to reimbursement by the Obligated Group in accordance with Article VI hereof), or such Related Bond Trustee.

The Obligated Group Agent also agrees to provide copies of the information referred to in subsections (A) and (B) above to each Rating Agency then maintaining a rating on any Related Bonds or any Indebtedness of any Member.

The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Agent will file with the Master Trustee a copy of each Consultant's report or counsel's opinion required to be prepared under the terms of this Master Indenture.

Without limiting the foregoing each Member will permit, upon reasonable notice, the Master Trustee, any such Related Issuer or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and as often as the Master Trustee, such Related Issuer or such Related Bond Trustee may reasonably desire.

The Obligated Group Agent shall give prompt written notice of a change of accountants by the Obligated Group to the Master Trustee and each such Related Issuer and Related Bond Trustee. The notice shall state: (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Issuer, Related Bond Trustee or the Master Trustee may reasonably request.

Section 412. Permitted Additional Indebtedness. So long as any Obligations are outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than:

(A) Funded Indebtedness, if prior to incurrence thereof or, if such Funded Indebtedness was incurred in accordance with another subsection of this Section 412 and any Member wishes to have such Indebtedness classified as having been issued under this subsection (A), prior to such classification, there is delivered to the Master Trustee:

(i) An Officer's Certificate of the Obligated Group Agent in a form acceptable to the Master Trustee stating that the Funded Indebtedness Ratio of the Obligated Group, after giving effect to the incurrence of such Indebtedness and to the application of the proceeds thereof, does not exceed 0.70:1; or

(ii) an Officer's Certificate of the Obligated Group Agent in a form acceptable to the Master Trustee stating that the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.10:1, and attaching such combined financial statements; or

(iii) (a) An Officer's Certificate of the Obligated Group Agent (which certificate, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) stating that the Historical Debt Service Coverage Ratio of the Obligated Group for the Fiscal Year next preceding the incurrence of such Funded Indebtedness for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.10:1; and (b) (1) a written Consultant's report (which report, including without limitation the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee) to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the next two succeeding Fiscal Years or, if such Indebtedness is being incurred in connection with the financing of Facilities, the two Fiscal Years succeeding the projected completion date of such Facilities, is not less than 1.20:1, or (2) an Officer's Certificate from the Obligated Group Agent in a form acceptable to the Master Trustee to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the next two succeeding Fiscal Years or, if such Indebtedness is being incurred in connection with the financing of Facilities, the two Fiscal Years succeeding the projected completion date of such Facilities, is not less than 1.35:1, *provided* that the requirements of the foregoing subsection (iii)(a) or (b), as the case may be, shall be deemed satisfied if (x) there is delivered to the Master Trustee the report of a Consultant (which report, including without limitation the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee and which contains the information required by the proviso to subsection (iii)(b) in the case of projections) which contains an opinion of such Consultant that applicable laws or regulations have prevented or will prevent the Obligated Group from generating the amount of Income Available for Debt Service required to be generated by subsection (iii)(a) or (b), as the case may be, as a prerequisite to the issuance of Funded Indebtedness, and, unless waived by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant, (y) the report of the Consultant indicates that the rates charged or to be charged by the Obligated Group are or will be such that, in the opinion of such Consultant, the Obligated Group has generated or will generate the maximum amount of Revenues reasonably practicable given such laws or regulations, and (z) the Historical Debt Service Coverage Ratio of the Obligated Group and the

Projected Debt Service Coverage Ratio of the Obligated Group referred to in the applicable subsection are at least 1.00:1.

(B) Completion Funded Indebtedness if there is delivered to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Indebtedness is being issued stating that at the time the original Funded Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Funded Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an Independent Architect or an expert acceptable to the Master Trustee setting forth the amount estimated to be needed to complete the Facilities, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Funded Indebtedness to be applied to the completion of the Facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit) and federal or state grants reasonably expected to be available, will be in an amount not less than the amount set forth in the statement of an Independent Architect or other expert, as the case may be, referred to in subsection (ii).

(C) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise, including without limitation refunding through the issuance of Cross-over Refunding Indebtedness) any outstanding Funded Indebtedness if prior to the incurrence thereof an Officer's Certificate of a Member is delivered to the Master Trustee stating that, taking into account the issuance of the proposed Funded Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 15%.

(D) Short-Term Indebtedness (other than Short-Term Indebtedness incurred in accordance with subsection (E) hereof) in a total principal amount which at the time incurred does not, together with the principal amount of all other such Short-Term Indebtedness of the Obligated Group then outstanding under this subsection (D) and the principal payable on all Funded Indebtedness during the next succeeding 12 months, excluding such principal to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increments to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal, exceed 20% of the Net Patient Revenues of the Obligated Group for the most recent Fiscal Year for which combined financial statements reported upon by independent certified public accountants are available; *provided, however,* that for a period of 30 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Indebtedness of the Obligated Group outstanding under this subsection (D) shall be not more than 5% of the Net Patient Revenues of the Obligated Group during such Fiscal Year plus such additional amount as the Obligated Group Agent certifies in an Officer's Certificate is (a) attributable to Short-Term Indebtedness incurred to offset a temporary delay in the receipt of funds due

from third party payors, (b) in the minimum amount reasonably practicable taking into account such delay, *provided* that the Obligated Group Agent in addition certifies that Short-Term Indebtedness has not been incurred during the current or prior four Fiscal Years to offset a temporary delay in the receipt of funds due from third party payors. For the purposes of this subsection, Short-Term Indebtedness shall not include overdrafts to banks to the extent there are immediately available funds of the Obligated Group sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business.

(E) Short-Term Indebtedness which constitutes commercial paper if the conditions described in subsection (A) are met with respect to such Short-Term Indebtedness when it is assumed that such Short-Term Indebtedness is Funded Indebtedness maturing over 30 years from the date of issuance of the Short-Term Indebtedness, bears interest on the unpaid principal balance at the Projected Rate and is payable on a level annual debt service basis over a 30-year period.

(F) Non-Recourse Indebtedness.

(G) Balloon Indebtedness if:

(i) the conditions set forth in subsection (A) are met with respect to such Balloon Indebtedness when it is assumed that the principal amount of such Balloon Indebtedness becoming due in each consecutive 12-month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes dues matures over 30 years from the commencement of such period, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a 30-year period; or

(ii) (a) a Member establishes in an Officer's Certificate filed with the Master Trustee an amortization schedule for such Balloon Indebtedness, which amortization schedule shall provide for payments of principal and interest for each Fiscal Year that are not less than the amounts required to make any actual payments required to be made in such Fiscal Year by the terms of such Balloon Indebtedness; (b) such Member agrees in such Officer's Certificate to deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company, which agreement shall be accompanied, unless waived by the Master Trustee, an opinion of Independent Counsel for the bank or trust company (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) to the effect that such agreement is valid and enforceable in accordance with its terms, subject only to customary exceptions for bankruptcy, creditors' rights, equitable remedies and similar exceptions) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Balloon Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company) which deposit shall be made prior to any such required actual payment during such

Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments; and (c) the conditions described in subsection (A) above are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness is actually payable in accordance with such amortization schedule.

(H) Put Indebtedness if the conditions set forth in subsection (A) above are met with respect to such Put Indebtedness when it is assumed that such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a 30-year period commencing with the next succeeding Put Date.

(I) Adjustable Indebtedness if the conditions set forth in subsection 412(A)(ii) or (iii) are satisfied when it is assumed such Adjustable Indebtedness bears interest at the Projected Rate and is amortized on a level debt service basis over a 30-year period.

(J) Guaranties by any Member of the payment by another Person of a sum certain; *provided* that the conditions set forth herein are satisfied if it is assumed that the Indebtedness guaranteed is Indebtedness of such Member. In making the calculation required by this subsection (J) the Obligated Group's Income Available for Debt Service shall not be deemed to include any Revenues of the Primary Obligor and the debt service payable with respect to the Indebtedness guaranteed shall be calculated in accordance with the assumptions contained in this Master Indenture.

(K) Liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under this Master Indenture.

(L) Commitment Indebtedness.

(M) Indebtedness consisting of accounts payable incurred in the ordinary course of business or other Indebtedness not incurred or assumed primarily to assure the repayment of money borrowed or credit extended which Indebtedness is incurred in the ordinary course of business.

(N) Indebtedness the principal amount of which at the time incurred, together with the aggregate principal amount of all other Indebtedness then outstanding which was issued pursuant to the provisions of this subsection (N) and which has not been subsequently reclassified as having been issued under subsection (A), (E), (G), (H) or (I), does not exceed 30% of the Net Patient Revenues of the Obligated Group for the latest preceding Fiscal Year for which combined financial statements reported upon by independent certified public accountants are available.

(O) Indebtedness incurred in connection with a sale of accounts receivable with or without recourse by any Member consisting of an obligation to repurchase all or a portion of such accounts receivable upon certain conditions, *provided* that the principal amount of such Indebtedness permitted hereby shall not exceed the aggregate amount of such accounts receivable so sold by such Member; and *provided further* that any Liens created as a result of such a sale must be Permitted Encumbrances.

(P) Subordinated Indebtedness.

It is agreed and understood by the parties hereto that various types of Indebtedness may be incurred under any of the above-referenced subsections with respect to which the tests set forth in such subsection are met and need not be incurred under only a subsection specifically referring to such type of Indebtedness (*e.g.,* Adjustable Indebtedness, Balloon Indebtedness and Put Indebtedness may be incurred under subsection (A) above if the tests therein are satisfied).

Each Member covenants that Indebtedness of the type permitted to be incurred under subsection (M) above will not be allowed to become overdue for a period in excess of that which is ordinary for similar institutions without being contested in good faith and by appropriate proceedings.

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, after the date of issuance of the Series ____ Obligation, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section 412 pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness; *provided, however,* that this requirement shall not apply to Indebtedness incurred pursuant to subsection (K) or (M) of this Section 412.

Section 413. Calculation of Debt Service and Debt Service Coverage. The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of this Master Indenture shall be made in a manner consistent with that adopted in Section 412 and in this Section 413. In the case of Balloon, Put or Adjustable Indebtedness issued pursuant to subsection (B), (G), (H), (I) or (M) of Section 412 hereof, unless such Indebtedness is reclassified pursuant to this Section 413 as having been issued pursuant to another subsection of Section 412, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the holder to require that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date (other than at the option of such holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of this Master Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the *"Determination Period"*) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the greater

of (i) the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) on such Indebtedness during the twelve consecutive calendar months immediately preceding the month in which such calculation is made or if such Indebtedness has been outstanding for less than twelve months, during the months in which such Indebtedness has been outstanding preceding the month in which such calculation is made or (ii) the rate in effect on such Indebtedness on the date of determination.

Obligations issued to secure Indebtedness permitted to be incurred under Section 412 shall not be treated as Additional Indebtedness.

No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. In addition, no Additional Indebtedness shall be deemed to arise when Indebtedness which bears interest at a variable rate of interest is converted to Indebtedness which bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed or the terms upon which Indebtedness, if Put Indebtedness, may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change.

Balloon Indebtedness incurred as provided under subsection (B) or (M) of Section 412, unless reclassified pursuant to this Section 413, shall be deemed to be payable in accordance with the assumptions set forth in subsection (G)(iii) of Section 412. Put Indebtedness incurred as provided under subsection (B) or (M) of Section 412, unless reclassified pursuant to this Section 413, shall be deemed to be payable in accordance with the assumptions set forth in subsection (H) of Section 412. Adjustable Indebtedness incurred as provided under subsection (B) or (M) of Section 412, unless reclassified pursuant to this Section 413, shall be deemed to be payable in accordance with the assumptions set forth in subsection (H) of Section 412.

Except for the purpose of determining whether any particular Guaranty may be incurred in which case it shall be assumed that 100% of the Indebtedness guaranteed is Indebtedness of the guarantor under such Guaranty and except for the purpose of calculating any historical Debt Service Requirements in which case the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; *provided, however,* if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed. For the purposes of the various calculations

required under this Master Indenture, the Capitalized Rentals under a Capitalized Lease at the time of such calculation shall be deemed to be the principal payable thereon.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 412, including without limitation subsection (N) of Section 412, reclassified as having been incurred under another provision of Section 412, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected Rate. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

Anything in the Master Indenture to the contrary notwithstanding, any portion of any Indebtedness of any Member, with respect to which such Member states in an Officer's Certificate delivered to the Master Trustee a Financial Product Agreement has been obtained, shall be deemed to bear interest for the period of time that such Financial Product Agreement is in effect at a net rate which takes into account the interest payments made by the Member on such Indebtedness and the payments made or received by the Member or another Member on such Financial Product Agreement; *provided* that the long-term credit rating of the provider of such Financial Product Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. If the effect of such a Financial Product Agreement is to convert Indebtedness to a synthetic variable rate, the amount payable under such Financial Product Agreement shall be calculated as provided in the second paragraph of this Section 413 for variable rate Indebtedness. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account a Financial Product Agreement, any payments made by a Member on such Financial Product Agreement shall be excluded from Expenses and any payments received by a Member on such Financial Products Agreement shall be excluded from Revenues, in each case, for all purposes of the Master Indenture.

Section 414. Sale, Lease or Other Disposition of Property. Each Member agrees that it will not, in any consecutive 12-month period, sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property which, together with all other Property transferred by Members in transactions other than those described in subsections (A) through (G) hereof, totals for such 12-month period in excess of 10% of the total value of the Property of the Obligated Group (calculated on the basis of the Book Value of the assets shown on the assets side of the balance sheet in the combined financial statements of the Obligated Group for the Fiscal Year next preceding the date of such sale, lease or other disposition for which combined financial statements of the Obligated Group reported on by independent certified public accountants are available or, if the Obligated Group Agent so elects, on the basis of Current Value), except for transfers or other dispositions in the ordinary course of business and except for transfers or other dispositions of Property:

(A) In return for other Property (other than cash) of equal or greater value and usefulness;

(B) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(C) To another Member;

(D) Upon fair and reasonable terms no less favorable to the Member than would obtain in a comparable arm's-length transaction;

(E) To any Person, if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations;

(F) Pursuant to Section 424 hereof, where the Property subject to such transfer consists solely of cash; and

(G) To any Person upon delivery to the Master Trustee of: (i) an Officer's Certificate of a Member (accompanied by the independent certified public accountant's reports mentioned below) certifying that during the Fiscal Year immediately preceding the proposed disposition for which financial statements have been reported upon by independent certified public accountants, the Historical Debt Service Coverage Ratio of the Obligated Group, taking into account such disposition, would not have been reduced by more than 35% and would not have been reduced to less than 1.10:1, (ii) an Officer's Certificate of a Member stating that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the two full Fiscal Years immediately following the date of such report, taking into account such disposition, (a) would not be reduced more than 35% from the Projected Debt Service Coverage Ratio of the Obligated Group which would have been estimated or forecasted if it were assumed such disposition would not occur and (b) would not be reduced to less than 1.50:1, or (iii) a written report from a Consultant stating that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the two full Fiscal Years immediately following the date of such report, taking into account such disposition, (a) would not be reduced more than 35% from the Projected Debt Service Coverage Ratio of the Obligated Group which would have been estimated or forecasted if it were assumed such disposition would not occur and (b) would not be reduced to less than 1.20:1.

The foregoing provisions of this Section notwithstanding, each Member further agrees that it will not sell, lease, donate or otherwise dispose of Property (a) which could reasonably be expected at the time of such sale, lease, donation or disposition to result in a reduction of the

Income Available for Debt Service of the Obligated Group such that the Obligated Group would be required to retain a Consultant pursuant to Section 409 hereof, or (b) if a Consultant has been retained in the circumstances described in Section 409 hereof, such action, in the opinion of such Consultant, will have an adverse effect on the Income Available for Debt Service of the Obligated Group. The parties hereto agree that the rendering of any service, the making of any loan, the extension of any credit or any other transaction, with any Affiliate except pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's-length transaction with a person not an Affiliate is and shall be subject to, and shall be permitted only if there is compliance with, the provisions of this Section.

Section 415. Liens on Property. Section 406(e) notwithstanding, a Lien on Property of any Member securing Indebtedness shall be classified a Permitted Encumbrance (as provided in clause (d) of the definition thereof) and therefore be permitted if:

(i) such Lien secures Non-Recourse Indebtedness; or

(ii) (a) after giving effect to such Lien and all other Liens classified as Permitted Encumbrances under this subsection (ii)(a), the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property of the Obligated Group which is Encumbered is not more than 20% of the value of all of the Property of the Obligated Group (calculated on the same basis as the value of the Encumbered Property) and (b) the conditions described in Section 412(A) are met for allowing the incurrence of one dollar of additional Funded Indebtedness.

Section 416. Right to Consent, Etc. Each Member shall have the right to agree in any Related Bond Indenture, Related Loan Document or Supplemental Master Indenture pursuant to which an Obligation is issued that, so long as any Related Bonds remain outstanding under such Related Bond Indenture or such Obligation remains outstanding, any or all provisions of this Master Indenture which provide for approval, consent, direction or appointment by the Master Trustee, provide that anything must be satisfactory or acceptable to the Master Trustee, allow the Master Trustee to request anything or contain similar provisions granting discretion to the Master Trustee shall be deemed to also require or allow, as the case may be, the approval, consent, appointment, satisfaction, acceptance, request or like exercise of discretion by the Related Issuer, or the Related Bond Trustee, or any one thereof, and that all items required to be delivered or addressed to the Master Trustee hereunder shall also be delivered or addressed to the Related Issuer and the Related Bond Trustee, or any one thereof, unless waived thereby. If a Member enters into any such agreements in a Related Bond Indenture, Related Loan Document or Supplemental Master Indenture, such agreements shall be deemed to be included herein as if set forth herein and such Member shall cause notice of such agreement to be sent to the Master Trustee.

Section 417. List of Obligation Holders. The Master Trustee will keep on file at its office a list of the names and addresses of the last known holders of all Obligations and the serial numbers of such Obligations held by each of such holders. At reasonable times and under reasonable regulations established by the Master Trustee, said list may be inspected and copied

by any Member, any Obligation holder or the authorized representative thereof, *provided* that the ownership of such holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 418. Designation of Additional Paying Agents. The Obligated Group Agent may, in its discretion, cause the necessary arrangements to be made through the Master Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of such of the Obligations as shall be presented when due at the principal office of the Master Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 419. Further Assurances; Additional Property. (a) The Members will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers and assurances as the Master Trustee reasonably may require for the better assuring, assigning and confirming unto the Master Trustee, its successors and assigns, all and singular the trust estate.

(b) All right, title and interest of the Members in and to all improvements, betterments, renewals, substitutions and replacements of the Property constituting the "trust estate" or any part thereof, hereafter acquired by a Member, immediately upon such acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the "trust estate" and shall be subject, if applicable to Property of such type, to the security interest of this Master Indenture and/or any subsequently created liens and security interest securing the Obligations as fully and completely and with the same effect as though owned by the Members at the time this Master Indenture was executed or any and all such other liens and security interests were created, but at any and all times the Members will execute and deliver to the Master Trustee any and all such further assurances, mortgages, conveyances or assignments thereof and other instruments with respect thereto as the Master Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the security interest of the Master Indenture or such other subsequently created liens and security interests.

Section 420. Indemnity. Each Member will pay, and will protect, indemnify and save the Master Trustee harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees, including in connection with any appeal, and expenses of such Member and the Master Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to Property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(1) the use, non-use, condition or occupancy of any of the Property of any Member, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any of such Property including adjoining sidewalks, streets or alleys and any equipment or Facilities at any time located on such Property or used in connection therewith but which are not the result of the negligence of the Master Trustee;

(2) violation of any agreement, warranty, covenant or condition of this Master Indenture, except by the Master Trustee;

(3) violation of any contract, agreement or restriction by any Member relating to its Property;

(4) violation of any law, ordinance, regulation or court order affecting any Property of any Member or the ownership, occupancy or use thereof; and

(5) any statement or information concerning any Member or its officers and members or its Property, contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Obligations or any Related Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning any Member, its officers and members and its Property not misleading in any material respect, *provided* that the official statement or other offering document has been approved by a Member of the Obligated Group and the indemnified party did not have knowledge of the omission or misstatement or did not use the official statement or other offering document with reckless disregard of or gross negligence in regard to the accuracy or completeness of the official statement or other offering document.

Such indemnity shall extend to each person, if any, who "controls" the Master Trustee as that term is defined in Section 15 of the Securities Act of 1933, as amended. The respective obligations of the Members under this Section 420 to indemnify and hold harmless the Master Trustee shall survive satisfaction and discharge of this Master Indenture.

In the event of settlement of any litigation commenced or threatened, such indemnity shall be limited to the aggregate amount paid under a settlement effected with the written consent of the Obligated Group Agent plus attorneys' fees and costs and other expenses of the Master Trustee in connection with such litigation.

The Master Trustee shall promptly notify the Obligated Group Agent in writing of any claim or action brought against the Master Trustee or any controlling person, as the case may be, in respect of which indemnity may be sought against any Member, setting forth the particulars of such claim or action, and the Obligated Group will assume the defense thereof (including at the appellate level), including the employment of counsel satisfactory to the Master Trustee or such controlling person, as the case may be, and the payment of all expenses. The Master Trustee or any such controlling person, as the case may be, may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Obligated Group unless such employment has been specifically authorized by the Obligated Group Agent or unless the Obligated Group Agent fails to provide counsel satisfactory to the Master Trustee.

Section 421. Dividends and Stock Purchases. If at any time any Member shall have outstanding any capital stock, such Member will not (i) declare or pay any dividends, either in cash or Property, on any shares of such stock (except dividends or other distributions payable solely in shares of such stock), (ii) directly or indirectly purchase, redeem or retire any shares of such stock or any warrants, rights or options to purchase or acquire any shares of such stock, or (iii) make any other payment or distribution, either directly or indirectly, in respect of such stock, which dividend, purchase, redemption, retirement, payment or other distribution, when aggregated with all other such dividends, purchases, redemptions, retirements, payments or distributions made by all Members of the Obligated Group after December 31, 2006, would exceed 50% of Cumulative Net Income Available for Dividends of the Obligated Group.

A Member will not declare any dividend payable more than 60 days after the date of declaration thereof.

For the purposes of this Section 421, the amount of any dividend or distribution declared, paid or distributed in Property shall be deemed to be the greater of the Book Value or the Current Value of such Property at the time of the making of such dividend or distribution.

The foregoing notwithstanding, any dividend or distribution paid by one Member to any other Member shall not be subject to the restrictions of this Section 421.

Section 422. Maintenance; Recording. So long as any Obligation is outstanding, the Members of the Obligated Group will file, continue, and amend all financing statements describing, and creating a security interest in, the Unrestricted Receivables. No Member of the Obligated Group shall make or suffer to exist any pledge or assignment of, lien on, or security interest in the Unrestricted Receivables that ranks prior to or on a parity with the lien and security interest granted by this Master Indenture, other than Permitted Encumbrances, or file any financing statement describing any such security interest, except for Permitted Encumbrances and except as expressly permitted by this Master Indenture.

ARTICLE V.

REMEDIES

Section 501. Extension of Payment; Penalty. In case the time for the payment of principal of or the interest on any Obligation shall be extended, whether or not such extension be by or with the consent of the Master Trustee, such principal or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture except subject to the prior payment in full of the principal of all Obligations then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Section 502. Events of Default. Each of the following events is hereby declared an "event of default":

(a) failure of the Obligated Group to pay any installment of interest or principal, or any premium, on any Obligation when the same shall become due and

payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise and the continuance of such failure for five days; or

(b) failure of any Member to comply with, observe or perform any of the covenants, conditions, agreements or provisions hereof and to remedy such default within 30 days after written notice thereof to such Member and the Obligated Group Agent from the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; *provided,* that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default hereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by any Member herein or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation in connection with the sale of any Obligation or furnished by any Member pursuant hereto proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 30 days after written notice thereof to the Obligated Group Agent by the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; or

(d) default in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money (other than Non-Recourse Indebtedness) of any Member, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due, or an event of default as defined in any mortgage, indenture, loan agreement or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness (including any Obligation) of any Member, and which default in payment or event of default entitles the holder thereof to declare or, in the case of any Obligation, to request that the Master Trustee declare, such Indebtedness due and payable prior to the date on which it would otherwise become due and payable; *provided, however,* that if such Indebtedness is not evidenced by an Obligation or issued, incurred or secured by or under a Related Loan Document, a default in payment thereunder shall not constitute an "event of default" hereunder unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds 1% of the net assets of the Obligated Group as shown on or derived from the then latest available audited combined financial statements of the Obligated Group; or

(e) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 30 days; *provided, however,* that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar

processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds 1% of the net assets of the Obligated Group as shown on or derived from the then latest available audited combined financial statements of the Obligated Group; or

(f) any Material Member admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for such Material Member, or for the major part of its Property; or

(g) a trustee, custodian or receiver is appointed for any Material Member or for the major part of its Property and is not discharged within 30 days after such appointment; or

(h) bankruptcy, dissolution, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against any Material Member (other than bankruptcy proceedings instituted by any Material Member against third parties), and if instituted against any Member are allowed against such Material Member or are consented to or are not dismissed, stayed or otherwise nullified within 60 days after such institution; or

(i) payment of any installment of interest or principal, or any premium, on any Related Bond shall not be made when the same shall become due and payable under the provisions of any Related Bond Indenture.

Section 503. Acceleration. If an event of default has occurred and is continuing, the Master Trustee may, and if requested by either the holders of not less than 25% in aggregate principal amount of outstanding Obligations or the holder of any Accelerable Instrument under which Accelerable Instrument an event of default exists (which event of default permits the holder thereof to request that the Master Trustee declare such Indebtedness evidenced by an Obligation due and payable prior to the date on which it would otherwise become due and payable), shall, by notice in writing delivered to the Obligated Group Agent, declare the entire principal amount of all Obligations then outstanding hereunder and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of Section 511 hereof with respect to waivers of events of default.

Section 504. Remedies; Rights of Obligation Holders. Upon the occurrence of any event of default hereunder, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations outstanding hereunder and any other sums due hereunder and may collect such sums in the manner provided by law out of the Property of any Member wherever situated.

If an event of default shall have occurred, and if it shall have been requested so to do by either the holders of 25% or more in aggregate principal amount of Obligations outstanding or the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations and if it shall have been indemnified as provided in Section 601(k) hereof, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; *provided, however,* that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of this Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the holders of Obligations hereunder now or hereafter existing at law or in equity or by statute.

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

No waiver of any default or event of default hereunder, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 505. Direction of Proceedings by Holders. The holders of a majority in aggregate principal amount of the Obligations then outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 503 hereof and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of a majority in aggregate principal amount of the Obligations then outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture or for the appointment of a receiver or any other proceedings hereunder; *provided,* that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction. Pending such direction from the holders of a majority in aggregate principal amount of the Obligations outstanding, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations.

The foregoing notwithstanding, the holders of a majority in aggregate principal amount of the Obligations then outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; *provided, however,* that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture.

Section 506. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Obligations under this Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 507. Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows:

(a) Unless the principal of all the Obligations shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest on any Obligation, and regularly scheduled payments related to Financial Products Agreements consisting of or secured by an Obligation, which interest and scheduled payments are then due, in the order of the maturity of the installments of such interest or payments, and, if the amount available shall not be sufficient to pay in full any particular installment or payment, then to the payment ratably, according to the amounts due on such installment or payment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on any Obligation which shall have become due (other than Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture) or to payments other than regularly scheduled payments on Financial Products Agreements consisting of or secured by an Obligation, including without limitation payments due upon early termination, in the order of the scheduled

dates of their payment, and, if the amount available shall not be sufficient to pay in full Obligations due on any particular date, then to the payment ratably, according to the amount of principal, premium and, settlement or other termination payments due on such date, to the persons entitled thereto without any discrimination or privilege;

THIRD: To the payment to the persons entitled thereto of all unpaid principal, interest and other amounts due on Obligations which do not constitute or secure an Financial Products Agreement and all unpaid scheduled payments related to Financial Products Agreements consisting of or secured by an Obligation, payment of which was extended by such persons as described in Section 501 hereof.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, interest on the Obligations, and payments related to Financial Products Agreements consisting of or secured by an Obligation without preference or priority of principal, premium, interest or scheduled payments over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, interest and payments on Financial Products Agreements to the persons entitled thereto without any discrimination or privilege; *provided* that no amount shall be paid to any Obligation holder who has extended the time for payment of either principal, interest or any other payments as described in Section 501 until all other principal, premium, if any, interest and other payments owing on Obligations have been paid; and

(c) If the principal of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this Section 507 and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the Obligated Group Agent on behalf of the Members.

Section 508. Remedies Vested in Master Trustee. All rights of action including the right to file proof of claims under this Master Indenture or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Obligations, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Obligations.

Section 509. Rights and Remedies of Obligation Holders. No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an event of default and (a) the holders of 25% or more in aggregate principal amount (i) of the Obligations which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 503 hereof and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Obligations then outstanding in the case of any other exercise of power or (b) the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as provided in Section 601(k), and unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Obligations outstanding. Nothing in this Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of the Members to pay the principal, premium, if any, and interest on each of the Obligations issued hereunder to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed.

Section 510. Termination of Proceedings. In case the Master Trustee shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case the Members and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the Property pledged and assigned hereunder, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Section 511. Waiver of Events of Default. If, at any time after the principal of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided and before the acceleration of any Related Bond, any Member shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under this Master Indenture, other than the nonpayment of principal of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case the holders of a majority in aggregate principal amount of all Obligations then outstanding and the holder of each Accelerable Instrument who requested the giving of notice of acceleration, by written notice to the Obligated Group Agent and to the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon.

Section 512. Members' Rights of Possession and Use of Property. So long as each Member is in full compliance with the terms and provisions of this Master Indenture, each Member shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

Section 513. Related Bond Trustee or Bondholders Deemed to Be Obligation Holders. For the purposes of this Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture and, in either case, notice thereof is given to the Master Trustee, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds shall be deemed the holders of the Obligations to the extent of the principal amount of the Obligations to which their Bonds relate. In addition, each Related Issuer is entitled to exercise the rights granted to Obligation holders under Section 502(d) and Section 503.

ARTICLE VI.

THE MASTER TRUSTEE

Section 601. Acceptance of the Trusts. The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions set forth herein. The Master Trustee, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture and to perform such duties as an ordinarily prudent trustee under a corporate mortgage, and no implied covenants or obligations should be read into this Master Indenture against the Master Trustee. If an event of default under this Master Indenture shall have occurred and be continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs. The Master Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Master Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Master Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by any Member, approved by the Master Trustee in the exercise of such care. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Master Trustee shall not be responsible for any recital herein, or in the Obligations (except with respect to the certificate of the Master Trustee endorsed on the Obligations), or for the investment of moneys as herein provided (*provided* that no investment shall be made by the Master Trustee except in compliance with the provisions of this Master Trustee applicable to such investment), or for the recording or re-recording, filing or re-filing of this Master Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Members of the Obligated Group of this Master Indenture, or by any Member of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or for the value or title of the Property herein conveyed or otherwise as to the maintenance of the security hereof. The Master Trustee may (but shall be under no duty to) require of any Member full information and advice as to the performance of the covenants, conditions and agreements in this Master Indenture and shall use its best efforts, but without any obligation, to advise the Members of any impending default known to the Master Trustee. The Master Trustee shall have no obligation to perform any of the duties of the Obligated Group hereunder.

(c) The Master Trustee shall not be accountable for the use or application by the Obligated Group of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent. The Master Trustee may become the owner of Obligations secured hereby with the same rights it would have if it were not Master Trustee.

(d) The Master Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Master Trustee pursuant to this Master Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Obligation shall be conclusive and binding upon all future owners of the same Obligation and upon Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to rely upon a certificate signed on behalf of any Member by its President, any Vice-President, its Secretary or its Secretary as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Master Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a certificate of the President, any Vice President or Secretary of any Member under its seal to the effect that a resolution in the form therein set forth has been adopted by such Member as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful default.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Obligated Group to cause to be made any of the payments to the Master Trustee required to be made by Section 202 or Section 401 unless the Master Trustee shall be specifically notified in writing of such default by a Member, by the written report of nationally recognized independent certified public accountants required by Section 414(B), by any Related Issuer, by any Related Bond Trustee, by the owner of an Accelerable Instrument or by the holders of at least 25% in aggregate principal amount of all Obligations then outstanding and all notices or other instruments required by this Master Indenture to be delivered to the Master Trustee must, in order to be effective, be delivered at the principal corporate trust office of the

Master Trustee, and in the absence of such notice so delivered, the Master Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times, the Master Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of any Member pertaining to the Obligations, and to take such memoranda from and in regard thereto as may be reasonably desired.

(i) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything contained elsewhere in this Master Indenture, the Master Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Obligation, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Master Trustee deemed desirable for the purpose of establishing the right of any Member to the authentication of any Obligations, the withdrawal of any cash, the release of any property or the taking of any other action by the Master Trustee.

(k) Before taking any action under this Master Indenture other than providing for the payments of principal and interest on the Obligations to the holders thereof as they become due or causing an acceleration of the Obligations when required hereby, the Master Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(l) All moneys received by the Master Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Master Indenture. Neither the Master Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(m) No provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(n) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 602. Fees, Charges and Expenses of Master Trustee and Any Additional Paying Agent. The Master Trustee shall be entitled to payment and/or reimbursement for reasonable fees and for its services rendered hereunder and all advances, counsel fees (including in connection with any appeal) and other expenses reasonably and necessarily made or incurred by the Master Trustee in connection with such services. The Master Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Master Trustee as Paying Agent and Obligation Registrar for the Obligations as hereinabove provided. Any additional Paying Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as additional Paying Agent for the Obligations. Upon an event of default, but only upon an event of default, the Master Trustee and any additional Paying Agent shall have a right of payment from any funds it receives hereunder prior to payment on account of principal of, or premium, if any, or interest on any Obligation for the foregoing advances, fees, costs and expenses incurred, and may, without further authorization, use such funds for such purposes. The respective obligations of the Members under this Section 602 to compensate the Master Trustee to pay or reimburse the Master Trustee for expenses, disbursements or advances, shall survive satisfaction and discharge of this Master Indenture.

Section 603. Notice to Obligation Holders If Default Occurs. If a default occurs of which the Master Trustee is by subsection (g) of Section 601 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Master Trustee shall give written notice thereof by mail to the last known owners of all Obligations then outstanding shown by the list of Obligation holders required by the terms of this Master Indenture to be kept at the office of the Master Trustee.

Section 604. Intervention by Master Trustee. In any judicial proceeding to which any Member is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of owners of the Obligations, the Master Trustee may intervene on behalf of Obligation holders and, subject to the provisions of Section 601(k), shall do so if requested in writing by the owner of an Accelerable Instrument or the owners of at least 25% in aggregate principal amount of all Obligations then outstanding. The rights and obligations of the Master Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 605. Successor Master Trustee. Any corporation or association into which the Master Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Master Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of and of the parties hereto, anything herein to the contrary notwithstanding.

Section 606. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a bank or trust company organized under the laws of the United States of America or any state thereof, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and (except for the Master Trustee initially appointed under this Master Indenture and its successors under Section 605) having a reported combined capital and surplus of at least $25,000,000. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 607. No resignation or removal of the Master Trustee and no appointment of a successor Trustee shall become effective until the successor Master Trustee has accepted its appointment under Section 610 hereof.

Section 607. Resignation by the Master Trustee. The Master Trustee and any successor Master Trustee may at any time resign from the trusts hereby created by giving thirty days' written notice to the Obligated Group Agent and by registered or certified mail to each registered owner of Obligations then outstanding and to each holder of Obligations as shown by the list of Obligation holders required by this Master Indenture to be kept at the office of the Master Trustee. Such resignation shall take effect at the end of such thirty days or when a successor Master Trustee has been appointed and has assumed the trusts created hereby, whichever is later, or upon the earlier appointment of a successor Master Trustee by the Obligation holders or by the Obligated Group. Such notice to the Obligated Group Agent may be served personally or sent by registered or certified mail.

Section 608. Removal of the Master Trustee. So long as no event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing hereunder, the Master Trustee may be removed with or without cause at any time by an instrument in writing signed by the Obligated Group Agent, delivered to the Master Trustee. The Obligated Group Agent shall give written notice of the removal of the Master Trustee to the holders of the Obligations and each Related Issuer. The Master Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Obligated Group Agent, and signed by the owners of a majority in aggregate principal amount of Obligations then outstanding; *provided* that, if any Related Issuer so elects, it may sign such an instrument as the owner of the Obligation or Obligations pledged to secure the Related Bonds issued by such Related Issuer.

Section 609. Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee. In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed: (a) by the Obligated Group Agent so long as no event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing; or (b) if an event of default or event which with the passage of time or giving of notice or both would become such an event of default has occurred and is continuing, by the owners of 51% in aggregate principal amount of Obligations then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized. If a successor trustee shall not have been appointed within 30 days after notice of resignation by or

removal of the Master Trustee, the Obligated Group or any holder of an Obligation may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing under the law of the jurisdiction in which it was created and by which it exists, having corporate trust powers and subject to examination by federal or state authorities, and having a reported capital and surplus of not less than $50,000,000.

Section 610. Concerning Any Successor Master Trustee. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Obligated Group Agent an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Obligated Group Agent, or of its successor, execute and deliver an instrument transferring to such successor Master Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Master Trustee shall deliver all securities and moneys held by it as Master Trustee hereunder to its successor. Should any instrument in writing from any Member be required by any successor Master Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by such Member. The resignation of any Master Trustee and the instrument or instruments removing any Master Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Master Trustee in each recording office, if any, where the Master Indenture shall have been filed and/or recorded.

Section 611. Master Trustee Protected in Relying upon Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Master Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Master Trustee for the release of property and the withdrawal of cash hereunder.

Section 612. Successor Master Trustee as Trustee of Funds, Paying Agent and Obligation Registrar. In the event of a change in the office of Master Trustee, the predecessor Master Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Obligation Registrar and Paying Agent for principal of, premium, if any, and interest on the Obligations, and the successor Master Trustee shall become such Master Trustee, Obligation Registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the Obligated Group Agent in connection with the appointment of any successor Master Trustee.

Section 613. Co-Master Trustees. (a) If at any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any state or jurisdiction in

which the trust estate, if any, created hereunder or any portion thereof may be located, the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall deem it necessary or prudent in the interest of the holders of the Obligations so to do, the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall have the power, by an instrument executed by the Master Trustee or by such holders, to appoint one or more persons approved by the Master Trustee or by such holders to act as co-trustee or co-trustees jointly with the Master Trustee, of any or all of the property subject to the lien of this Master Indenture or of any instrument securing any Obligation issued hereunder; and the person or person so appointed shall be such co-trustee or co-trustees, with such rights and remedies as shall be specified in such instrument to be executed as aforesaid, to the extent not prohibited by law. If the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall request the Obligated Group Agent to do so, the Obligated Group Agent shall for such purpose join with the Master Trustee or such holders in the execution, delivery and performance of any instrument necessary or proper to appoint such co-trustee or co-trustees, but the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations shall have the power to make such appointment by its or their sole action without making such request of the Obligated Group Agent.

(b) Every co-trustee shall, to the extent not prohibited by law, be appointed subject to the following provisions and conditions, namely:

(i) the rights and remedies conferred or imposed upon any such co-trustee pursuant to this Section 613 shall be conferred or imposed upon and exercised or performed by the Master Trustee and co-trustee jointly, as shall be provided in the instrument appointed such co-trustee, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Master Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and remedies shall be exercised and performed by such co-trustee at the direction of the Master Trustee;

(ii) all rights and remedies conferred upon the Master Trustee in respect of the custody of securities and all moneys received, deposited or otherwise held under or pursuant to any provision of this Master Indenture shall be exercised solely by the Master Trustee; and

(iii) the Master Trustee may at any time by an instrument accept the resignation of or remove any co-trustee appointed under this Section 613, and upon the request of the Master Trustee the Obligated Group Agent shall for such purpose join with the Master Trustee in the execution, delivery and performance of all instruments necessary or proper to make effective such resignation or removal, but the Master Trustee shall have the power to accept such resignation or to remove any such co-trustee by its sole action without making such request of the Obligated Group Agent. A successor to a co-trustee so removed or who has so resigned may be appointed in the manner provided in this Section 613.

(c) Any notice, request or other writing by or on behalf of any or all of the holders of the Obligations or the Obligated Group Agent given to the Master Trustee shall be deemed to have been given to all of the co-trustees, as effectively as if given to each of them. Every instrument appointing any co-trustees shall refer to this Master Indenture and the conditions in this Article VI expressed, and, upon the acceptance by such co-trustee or co-trustees, it or they shall be vested with the estates or property specified in such instrument either jointly with the Master Trustee, or separately, as may be provided therein, subject to all the provisions of this Master Indenture; and every such instrument shall be filed with the Master Trustee. In case any co-trustee, or a successor such co-trustee, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, remedies and trusts of such co-trustee, so far as not prohibited by law, shall vest in and be exercised by the Master Trustee, without the appointment of a new trustee or successor to such co-trustee.

Section 614. Maintenance of Records. The Master Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Master Trustee pursuant to the provisions hereof as are requested by the Obligated Group Agent. The Master Trustee shall be entitled to reasonable compensation for its maintenance of any such records.

ARTICLE VII.

SUPPLEMENTAL MASTER INDENTURES

Section 701. Supplemental Master Indentures Not Requiring Consent of Obligation Holders. Subject to the limitations set forth in Section 702 hereof with respect to this Section 701, the Members and the Master Trustee may, without the consent of, or notice to, any of the Obligation holders, amend or supplement this Master Indenture, for any one or more of the following purposes:

(a) To cure any ambiguity or defective provision in or omission from this Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or adversely affect the holder of any Obligation;

(b) To grant to or confer upon the Master Trustee for the benefit of the Obligation holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation holders and the Master Trustee, or either of them, to add to the covenants of the Members for the benefit of the Obligation holders or to surrender any right or power conferred hereunder upon any Member;

(c) To assign and pledge under this Master Indenture any additional revenues, properties or collateral;

(d) To evidence the succession of another corporation to the agreements of a Member or the Master Trustee, or the successor of any thereof hereunder;

(e) To permit the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter in

effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(f) To provide for the refunding or advance refunding of any Obligation;

(g) To provide for the issuance of Additional Obligations;

(h) To reflect the addition to or withdrawal of a Member from the Obligated Group;

(i) To provide for the issuance of Obligations with original issue discount, *provided* such issuance would not materially adversely affect the holders of Outstanding Obligations;

(j) To permit an Obligation to be secured by security which is not extended to all Obligation holders or to provide covenants that are enforceable solely by identified Obligation Holders or credit enhancers;;

(k) To permit the issuance of Obligations which are not in the form of a promissory note;

(l) To make such additions and changes to the provisions of Article V hereof in connection with the admission as a Member of the Obligated Group of an entity which is not a corporation or limited liability company as are necessary in order to obtain the opinion of Independent Counsel referred to in Section 404(d)(2) which additions and changes, in the opinion of the Master Trustee, do not have a materially adversely affect on the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee;

(m) To reflect amendments resulting from changes to GAAP as described in the last paragraph of Article I hereof; and

(n) To make any other change which, in the opinion of the Master Trustee, does not materially adversely affect the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee, including without limitation any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

Any Supplemental Master Indenture providing for the issuance of Additional Obligations shall set forth the date thereof, the date or dates upon which principal of, premium, if any, and interest on such Obligations shall be payable, the other terms and conditions of such Obligations,

the form of such Obligations and the conditions precedent to the delivery of such Obligations which shall include, among other things:

(a) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by such Obligations;

(b) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of such Obligations, if any, set forth herein and in the Supplemental Master Indenture have been complied with and satisfied; and

(c) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of such Obligations under the Securities Act of 1933, as amended, and qualification of such Supplemental Master Indenture under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that the Obligated Group has complied with all applicable provisions of said acts.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (1) above, the Obligated Group Agent shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, in the manner provided in Section 1004 hereof at least 15 days prior to the execution of such Supplemental Master Indenture, which notice shall include a copy of the proposed Supplemental Master Indenture.

Section 702. Supplemental Master Indentures Requiring Consent of Obligation Holders. In addition to Supplemental Master Indentures covered by Section 701 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than 51% in aggregate principal amount of the Obligations which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture or, in case less than all of the several series of Obligations are affected thereby, the holders of not less than 51% in aggregate principal amount of the Obligations affected thereby which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture, shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the execution by the Members and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Master Indenture; *provided, however,* that nothing contained in this Section or in Section 701 hereof shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount of Obligations the holders of which are required to consent to any

such Supplemental Master Indenture, without the consent of the holders of all the Obligations at the time outstanding which would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any such Supplemental Master Indenture for any of the purposes of this Section, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Indenture to be mailed by first class mail postage prepaid to each holder of an Obligation or, in case less than all of the series of Obligations are affected thereby, of an Obligation of the series affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by all Obligation holders. The Master Trustee shall not, however, be subject to any liability to any Obligation holder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided in this Section. If the holders of not less than 51% in aggregate principal amount of the Obligations or the Obligations of each series affected thereby, as the case may be, which are outstanding hereunder at the time of the execution of any such Supplemental Master Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Master Indenture as in this Section permitted and provided, this Master Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purpose of obtaining the foregoing consents, the determination of who is deemed the holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in Section 513.

ARTICLE VIII.

SATISFACTION OF THE MASTER INDENTURE

Section 801. Defeasance. If the Members shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of this Section 801, any Obligations owned by a Member) outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations outstanding, as and when the same become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations outstanding (including the payment of premium, if any, and interest payable on such

Obligations to the maturity or redemption date thereof), *provided* that such moneys, if invested, shall be invested at the direction of the Obligated Group Agent in Escrow Obligations, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations outstanding; or

(d) by depositing with the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group and, if any such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of this Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then and in that case (but subject to the provisions of Section 803 hereof) this Master Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon Written Request of the Obligated Group Agent, and upon receipt by the Master Trustee of an Officer's Certificate from the Obligated Group Agent and an opinion of Independent Counsel acceptable to the Master Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Master Indenture and the lien hereof. The satisfaction and discharge of this Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection herewith. The foregoing notwithstanding, the liability of the Obligated Group in respect of the Obligations shall continue, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. The foregoing provisions notwithstanding, a condition precedent to the payment of the entire indebtedness on all Obligations pursuant to Section 801(d) shall be the delivery to the Master Trustee of a verification report of an independent certified public accountant as to the sufficiency of the amount of any moneys deposited pursuant to Section 801(d) to pay or redeem and discharge the indebtedness on all Obligations outstanding.

Any moneys, funds, securities, or other property remaining on deposit under this Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Master Indenture, forthwith be transferred, paid over and distributed to the Obligated Group.

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which the Obligated Group may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 802. Provision for Payment of a Particular Series of Obligations or Portion Thereof. If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose of this Section 802, any such Obligations owned by a Member) in one of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations of such series or portion thereof outstanding, as and when the same shall become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date), *provided* that such moneys, if invested, shall be invested at the direction of the Obligated Group Agent in Escrow Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof outstanding; or

(d) by depositing with the Master Trustee, in trust, Escrow Obligations in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group with respect to such series of Obligations or portion thereof, and, if any such Obligations of such series or portion thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case (but subject to the provisions of Section 803 hereof) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The liability of the Obligated Group in respect of such Obligations shall continue but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Obligation holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. The foregoing notwithstanding, a condition precedent to payment of the entire

indebtedness on all Obligations of a particular series or a portion of such series pursuant to Section 803(d) shall be the delivery to the Master Trustee of a verification report of an independent certified public account as to the sufficiency of the amount of any moneys deposited pursuant to Section 803(d) to pay or redeem and discharge the indebtedness on all Obligations of such series or portion thereof.

Section 803. Satisfaction of Related Bonds. The provisions of Section 801 and Section 802 of this Master Indenture notwithstanding, any Obligation which secures a Related Bond (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances described in subsection (b)(ii) of the definition of "Outstanding Obligations" contained in Article I; and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under this Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

ARTICLE IX.

MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS

Section 901. Proof of Ownership. Any request, direction, consent or other instrument provided by this Master Indenture to be signed and executed by the Obligation holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Obligation holders in person or by an agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Obligated Group, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgements in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of Obligations shall be proved by the registration of such Obligations.

Any action taken or suffered by the Master Trustee pursuant to any provision of this Master Indenture, upon the request or with the assent of any person who at the time is the holder of any Obligation or Obligations, shall be conclusive and binding upon all future holders of the same Obligation or Obligations or any Obligation or Obligations issued in exchange therefor.

ARTICLE X.

MISCELLANEOUS

Section 1001. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, and the holders of the Obligations, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Obligations as herein provided.

Section 1002. Unclaimed Moneys. Any moneys deposited with the Master Trustee by the Obligated Group in accordance with the terms and covenants of this Master Indenture, in order to redeem or pay any Obligation in accordance with the provisions of this Master Indenture, and remaining unclaimed by the owners of the Obligation for six years after the date fixed for redemption or of maturity, as the case may be, shall, if the Obligated Group is not at the time to the knowledge of the Master Trustee in default with respect to any of the terms and conditions of this Master Indenture, or in the Obligations, be repaid by the Master Trustee to the Obligated Group Agent upon its written request therefor on behalf of the Members; and thereafter the registered owners of the Obligation shall be entitled to look only to the Obligated Group for payment thereof. The Obligated Group hereby covenants and agrees to indemnify and save the Master Trustee harmless from any and all losses, costs, liability and expense suffered or incurred by the Master Trustee by reason of having returned any such moneys to the Members as herein provided.

Section 1003. Severability. If any provision of this Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Indenture contained, shall not affect the remaining portions of this Master Indenture, or any part thereof.

Section 1004. Notices. It shall be sufficient service of any notice, complaint, demand or other paper on the Obligated Group and each Member thereof if the same shall be delivered in person or duly mailed by registered or certified mail addressed as follows: Baptist Health South Florida, Inc., as Obligated Group Agent, 6855 Red Road, Suite 600, Coral Gables, Florida 33143, Attention: Chief Financial Officer. It shall be sufficient service of any notice, complaint, demand or other paper on the Master Trustee if the same shall be delivered in person or duly

mailed by registered or certified mail addressed as follows: Wells Fargo Bank, N.A., Attention: Corporate Trust Services, 7680 Universal Blvd., Suite 240, Orlando, Florida 75202. Any notice delivered hereunder to Moody's, Standard & Poor's or Fitch shall be duly mailed by first class mail addressed, respectively, as follows: Moody's Investors Service, 99 Church Street, New York, New York 10007, Standard & Poor's Corporation, 25 Broadway, New York, New York 10004, and Fitch Investors Service, Inc., One State Street Plaza, New York, New York 10004.

Section 1005. Master Trustee as Paying Agent and Registrar. The Master Trustee is hereby designated and agrees to act as principal Paying Agent and Obligation Registrar for and in respect to the Obligations. The Obligated Group may also appoint one or more other banks as Paying Agent.

Section 1006. Counterparts. This Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1007. Applicable Law. This Master Indenture shall be governed exclusively by the applicable laws of the State of Florida.

Section 1008. Immunity of Officers, Employees and Members of Members. No recourse shall be had for the payment of the principal of or premium or interest on any of the Obligations or for any claim based thereon or upon any obligation, covenant or agreement in this Master Indenture contained against any past, present or future officer, director, employee, member or agent of any Member, or of any successor corporation, or the Master Trustee as such, either directly or through any Member or any successor corporation, or the Master Trustee 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 officers, directors, employees, members or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Master Indenture and the issuance of such Obligations.

Section 1009. Holidays. If the date for making any payment or the date for performance of any act or the exercising of any right, as provided in this Master Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the nominal date provided in this Master Indenture.

IN WITNESS WHEREOF, BAPTIST HEALTH SOUTH FLORIDA, INC., on behalf of itself and the other Members of the Obligated Group, has caused these presents to be signed in its name and on its behalf by its Executive Vice President and Chief Financial Officer and to evidence its acceptance of the trusts hereby created WELLS FARGO BANK, N.A. has caused these presents to be signed in its name and on its behalf by its Vice President, all as of the day and year first above written.

BAPTIST HEALTH SOUTH FLORIDA, INC.
BAPTIST HOSPITAL OF MIAMI, INC.
BAPTIST OUTPATIENT SERVICES, INC.
DOCTORS HOSPITAL, INC.
HOMESTEAD HOSPITAL, INC.
MARINERS HOSPITAL, INC.
SOUTH MIAMI HOSPITAL, INC.
WEST KENDALL BAPTIST HOSPITAL, INC.

By _____
Executive Vice President and Chief Financial Officer of Baptist Health South Florida, Inc., as Obligated Group Agent

WELLS FARGO BANK, N.A.,
as Master Trustee

By _____
Vice President

EXHIBIT A

FORM OF OUTSTANDING OBLIGATIONS

EXHIBIT B

LIST OF EXCEPTIONS

The provisions of the Master Indenture pursuant to which each Member of the Obligated Group covenants to jointly and severally pay any Obligation issued by a Member other than itself may not be enforceable if such payment:

(i) is to be made on any such Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Member from which such payment is requested or which was issued for the benefit of any entity other than a not for profit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code and which is not a "private foundation" as defined in Section 509(a) of the Code;

(ii) is to be made from any monies or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such monies or assets for such a payment;

(iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member from which such payment is requested; or

(iv) is to be made pursuant to any loan violating applicable usury laws.

EXHIBIT C

LIST OF OBLIGATED GROUP MEMBERS

Baptist Health South Florida, Inc.

Baptist Hospital of Miami, Inc.

Baptist Outpatient Services, Inc.

Doctors Hospital, Inc.

Homestead Hospital, Inc.

Mariners Hospital, Inc.

South Miami Hospital, Inc.

West Kendall Baptist Hospital, Inc.

EXHIBIT D

SUBORDINATED INDEBTEDNESS

Any issue of Subordinated Indebtedness shall be evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such Indebtedness (to which appropriate reference shall be made in the instruments evidencing such Indebtedness) substantially as follows (the term "debentures" being, for convenience, used in the provisions set forth below to designate the instruments issued to evidence Subordinated Indenture and the term "this Indenture" to designate the instrument, indenture or other document containing such provisions):

"All debentures issued under this Indenture shall be issued subject to the following provisions and each person taking or holding any such debenture whether upon original issue or upon transfer or assignment thereof accepts and agrees to be bound by such provisions.

All debentures issued hereunder and any coupons thereto appertaining shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right to the prior payment in full of Superior Indebtedness as defined in this Section. For all purposes of this Section the term "Superior Indebtedness" shall mean all Obligations now or hereafter issued under that certain Amended and Restated Master Trust Indenture (the *"Master Indenture"*), dated as of _____, ____ among Baptist Health South Florida, Inc., Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., Mariners Hospital, Inc., South Miami Hospital, Inc., West Kendall Baptist Hospital, Inc., and Wells Fargo Bank, N.A., as Master Trustee (the *"Master Trustee"*), as supplemented and modified to the date hereof, or as the same may hereafter from time to time be further supplemented and modified.

No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, unless full payment of amounts then due and payable for principal, premium, if any, sinking funds and interest on Superior Indebtedness has been made or duly provided for in accordance with the terms of such Superior Indebtedness. No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, if, at the time of such payment or application or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Superior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Superior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof and such event of default shall not have been cured or waived or shall not have ceased to exist.

Upon (i) any acceleration of maturity of the principal amount due on the debentures or (ii) any payment of distribution of any kind or character, whether in cash, property or securities, upon any dissolution or winding-up or total or partial liquidation, reorganization or arrangement of any Member (as defined in the Master Indenture), whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Superior Indebtedness shall first be paid in full, or payment thereof provided for in accordance with the terms of such Superior Indebtedness, before any payment is made on account of the principal, premium, if any, or interest on the indebtedness evidenced by the debentures, and upon any such dissolution or winding-up or liquidation, reorganization or arrangement, any payment or distribution of any kind or character, whether in cash, property or securities, to which the holders of the debentures or the Trustee under this Indenture would be entitled, except for the provisions hereof, shall be paid by the Members, or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, to the Master Trustee to the extent necessary to pay all Superior Indebtedness in full after giving effect to any concurrent payment or distribution to the Master Trustee for the holders of Superior Indebtedness, before any payment or distribution is made to the holders of the indebtedness evidenced by the debentures or to the Trustee under this Indenture.

In the event that, in violation of any of the foregoing provisions, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the Trustee under this Indenture or by the holders of the debentures before all Superior Indebtedness is paid in full, or provision made for such payment in accordance with the terms of such Superior Indebtedness, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the Master Trustee for application to the payment of all Superior Indebtedness

remaining unpaid to the extent necessary to pay all such Superior Indebtedness in full in accordance with its terms, after giving effect to any concurrent payment or distribution to the Master Trustee for the holders of such Superior Indebtedness.

No present or future holder of Superior Indebtedness shall be prejudiced in his right to enforce subordination of the indebtedness evidenced by the debentures by any act or failure to act on the part of any Member or anyone in custody of its assets or property.

The foregoing subordination provisions shall be for the benefit of the holders of Superior Indebtedness and may be enforced by the Master Trustee against the holders of debentures or any trustee thereof; *provided, however,* that the indentures or other instruments creating or evidencing subordinated debt or pursuant to which any subordinated debt is issued shall provide: (i) that the foregoing provisions are solely for the purpose of defining the relative rights of the holders of "Superior Indebtedness" (as defined therein) on the one hand and the holders of the Subordinated Indebtedness on the other hand, and that nothing therein shall impair, as between the Members and the holders of the Subordinated Indebtedness, the obligation of the Members, which is unconditional and absolute, to pay to the holders thereof the principal thereof, premium, if any, and interest thereon in accordance with its terms, nor shall anything therein prevent the holders of the Subordinated Indebtedness or any Trustee on their behalf from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights set forth above of the holders of "Superior Indebtedness" to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Indebtedness, (ii) that upon any payment or distribution of assets of any Member of the character referred to in the fourth paragraph of the foregoing provisions, the Trustee under any indenture relating to Subordinated Indebtedness shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding-up, liquidation, reorganization or arrangement proceedings are pending, and upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making any such payment or distribution, delivered to said Trustee for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of "Superior Indebtedness" and other indebtedness of such Member, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to the foregoing provisions, and (iii) that the Trustee under any indenture relating to Subordinated Indebtedness and any

paying agent therefor shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by such Trustee or such paying agent, unless and until such Trustee or such paying agent, as the case may be, shall have received written notice thereof from any Member or from one or more holders of "Superior Indebtedness", or from the Master Trustee."

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

Baptist Health
South Florida

BAPTIST HEALTH SOUTH FLORIDA OBLIGATED GROUP • TAXABLE NOTES, SERIES 2017

Printed by: ImageMaster, LLC
www.imagemaster.com