

COUNCIL ACTION FORM

SUBJECT: SETTING OCTOBER 8, 2019, AS THE DATE OF PUBLIC HEARING FOR AUTHORIZATION TO ISSUE HOSPITAL REVENUE BONDS, MARY GREELEY MEDICAL CENTER SERIES 2019, IN AN AMOUNT NOT TO EXCEED \$35,000,000

BACKGROUND:

Mary Greeley Medical Center (MGMC) began a multi-phase expansion and renovation on its campus this summer, which is expected to be completed in summer 2022. Project components include the relocation of the Birthways, Neonatal Intensive Care Unit (NICU), and Pediatrics departments from the South Tower to the 3rd floor of the West Patient Tower/Vertical Expansion. This project also relocates the current Medical/Surgical Unit from the 3rd floor of the West Patient Tower/Vertical Expansion to the 6th floor of the of the West Patient Tower to allow for all mother, baby, and child inpatient services to be located together on the 3rd floor. The project area is approximately 62,500 square feet, of which 24,000 is build-out of the existing shell space on the 6th floor and the remaining is renovation of existing finished space on the 3rd floor. Summary information on the bond is included in an attachment prepared by the MGMC financial advisor. Note that the MGMC bond issuance is a private placement of debt rather than a public offering; because of this the documentation is different from what Council would be provided for City debt issuance. The requirement for a public hearing and approval of the issuance remain the same.

The Municipal Code section that provides for the duties and authorities of the hospital trustees does not delegate activities related to the issuance and sale of revenue bonds. Therefore, Council action is required to issue revenue bonds for the hospital.

The issuance of revenue bonds by MGMC does not create a financial obligation or pledge of credit or taxing authority for the City of Ames. Only revenues from MGMC will be used to pay back the bonds. **However, since the revenue bonds will be issued in the name of the City, it is imperative that the City Council does its due diligence and determines if the MGMC is capable of meeting its debt obligation resulting from this bond issuance.**

ALTERNATIVES:

1. Establish October 8, 2019, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2019, in an amount not to exceed \$35,000,000.

2. Delay the hearing on the issuance of Hospital Revenue Bonds.

CITY MANAGER'S RECOMMENDED ACTION:

Mary Greeley Medical Center provides quality medical services to Ames and the surrounding area, and is a major economic contributor to the community. Issuance of bonds will allow the medical center to make improvements to medical facilities to serve the citizens of Ames and surrounding area. Issuance of these revenue bonds involves no financial obligation on the part of Ames property taxpayers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing October 8, 2019, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2019, in an amount not to exceed \$35,000,000.



Financing Update

Prepared for

Mary Greeley Medical Center

Steve Proeschel

MANAGING DIRECTOR

Tel: (612) 303-6649

Email: steven.j.proeschel@pjc.com

John Henningsgard

MANAGING DIRECTOR

Tel: (612) 303-1706

Email: john.d.henningsgard@pjc.com

Overview

- A “Request for Terms” (“RFT”) was prepared, outlining transaction request and presenting information about Mary Greeley Medical Center. The package also included audited financials and continuing disclosure information.
- The RFT was sent to more than 60 banks and other financial institutions, requesting a financing amount of up to \$35,000,000 and a fixed rate term of 15 years.
- Care was given to include all locally based banks as well as other national, regional and “out of market” potential purchasers.
- Investors were given two weeks to evaluate the information, ask questions, and respond.
- At the conclusion of the review process, responses were submitted by 12 investors/lenders.
- Rates, terms and conditions varied significantly, demonstrating the value of the process.
- Those that did not respond did so for a variety of reasons, either because they did not have capacity, could not meet the timing request, or could not be competitive on rate/terms.
- Proposed pricing by term is summarized on the following pages.

Pricing Summary

	7 Year	10 Year	15 Year
JP Morgan Chase	1.84%	1.94%	1.98%
BMO Harris	-	-	2.45%
Great Western Bank	-	-	2.54%
BBVA Compass	-	-	2.55%
Siemens	-	-	2.75%
Banker's Trust	-	-	2.78%
NBH Bank	-	-	3.28%
Western Alliance	-	-	3.60%
Bank of America	-	1.98%	-
Bank of the West	2.02%	2.14%	-
US Bank	2.07%	2.16%	-
Associated Bank	-	2.58%	-

*Preliminary, subject to change.

Review and Analysis

- Of the proposals received, JP Morgan Chase provided the most attractive combination of interest rate and 15-year term.
- JP Morgan proposal is a 1.98% interest rate for a 15-year term.
- The rate is subject to change until locked; forward rate lock is available.
- There is no explicit requirement for ancillary business, although other business opportunities with MGMC will be pursued.
- Considerations for the JP Morgan proposal include:
 - Minimum MADS coverage of 1.20x calculated semi-annually (below this level would be EOD).
 - Liquidity covenant of 75 days tested semi-annually (below this level would be EOD).
 - Most favored lender provision: if MGMC provides any more stringent covenant to a lender in the future, JPM also gets benefit.
 - Pricing matrix which adds 10 bps to interest rate for each notch rating downgrade should it occur.
 - “Make-whole” prepayment and typical yield protection/change in law provisions.
- Additional details will be negotiated.

Next Steps

- Authorize management to proceed.
- September 24th: City Council meeting for preliminary approval and scheduling of Public Hearing.
- Begin drafting of documents.
- Complete due diligence.
- Explore availability of interest rate lock.
- October 8th: City Council holds Public Hearing and gives final approval.
- Closing end of October.

Appendix

Summary of Bank Placement Term Sheets

Summary of Bank Placement Proposals*

	Banker's Trust	BBVA	BMO Harris	Great Western Bank
Amount & Term:	\$35.000MM / 15-Year Term	\$35.000MM / 15-Year Term	\$35.000MM / 15-Year Term	\$35.000MM / 15-Year Term
Interest Rates and Pricing:	15-year swapped rate: 2.777% (84%*1M LIBOR) + 1.25% ACT/360 Day Count	15-Year Fixed Rate: 2.55% ACT/360 Day County	15-Year Fixed Rate: 2.45% Swap Rate * .79 + 1.10% ACT/360 Day Count	Option 1: Unscheduled drawdown, 15-year swapped rate: 2.56% Option 2: Scheduled drawdown, 15-year swapped rate: 2.54% Option 3: 15-year swapped rate: 2.79%
Rate lock?	Yes	Up to 60 days with higher rate	Not defined	Not defined
Prepayment:	None, but responsible for swap termination cost	Make-Whole Call after two years	Make-Whole Call	Responsible for swap termination payment
Financial Covenants:	Not defined	DCOH: 75 days = consultant, 45 days = EOD DSC: 1.2x = consultant, 1.0x = EOD	DCOH: 75 days tested semiannually DSC: 1.20x tested quarterly Add'l Debt test: 1.35x Pro Forma	DCOH: 75 days = consultant, 45 days = EOD DSC: 1.2x = consultant, 1.0x = EOD Add'l debt test: 1.35x Pro Forma
Reporting Covenants:	Not defined	Audited annual financials and MTI compliance within 150 days Quarterly financial statements (including operating statistics) within 45 days	Audited financials within 120 days Quarterly unaudited financials within 45 days including operations statistics and payor mix Budget within 60 days	Audited Financials within 150 days Quarterly financials with 45 days Annual compliance certificate
Other:	Brick Gentry as counsel, capped at \$15,000 \$42,000 origination fee Deposit account at bank required	Most Favored Nations Orrick as counsel, capped at \$30,000	Chapman and Cutler as Counsel, capped at \$40,000 Rating downgrade increases rate by 10 bps for each level, EOD when below investment grade	0.25% commitment fee

*Preliminary, subject to change.

Summary of Bank Placement Proposals*

	JP Morgan Chase	NBH Bank	Siemens	Western Alliance Bank
Amount & Term:	\$35.000MM / 7, 10, or 15-Year Term	\$25.000M 15-Year Term	\$35.000MM / 15-Year Term	\$35.000MM / 15-Year Term
Interest Rates and Pricing:	7-Year Fixed Rate: 1.84% 15 Year Amortization 10-Year Fixed Rate: 1.94% 15 Year Amortization 15-Year Term: 1.98% 30/360 Day Count	15-Year Term: 3.28% 15-Year Amortization 30/360 Day Count	15-Year Term: 2.75% 15-Year Amortization 30/360 Day Count	15-Year Term: 3.60% .79 * (8Y LIBOR Swap + 2.85%) 30/360 Day Count
Rate lock?	Available	Avilable up to 30 days prior to closing with 10 bps rate increase	Not specified	Available
Prepayment:	Make-whole	Years 0-2: Callable at 103% Year 2: Callable at 102% Year 3: Callable at 101% 100% thereafter	Years 0-3: noncallable Years 4-6: 102% Years 7-8: 101% 100% thereafter	Callable at 100% in 2026
Financial Covenants:	DCOH: 75 days, tested semiannually DSC: 1.20x, tested semiannually	DCOH: 75 days = consultant, 45 days = EOD DSC: 1.2x = consultant, 1.0x = EOD Add'l debt test: 1.35x Pro Forma	DCOH: 75 days = consultant, 45 days = EOD DSC: 1.2x = consultant, 1.0x = EOD Add'l debt test per MTI	DCOH: 75 days, <45 days = EOD DSC: 1.2x, <1.0x = EOD
Reporting Covenants:	Audit within 150 days including operating and payor mix statistics Quarterly financials within 45 days Semiannual compliance certificate	Audit within 150 days including utilization statistics Quarterly financials within 45 days Annual compliance certificate <u>Budget within 30 days</u>	Not specified	Audit with 150 days including compliance certificate Budget within 30 days
Other:	Most Favored Nations 10bps rate increase for each downgrade below A2 Chapman & Cutler as counsel, capped at \$35,000	Bank Counsel capped at \$30,0000	Most Favored Nations provision Refundable \$50,000 acceptance fee	Purchaser's counsel capped at \$10,000

*Preliminary, subject to change.

Disclosure

Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today’s market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

FOURTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of October 1, 2019

Among

CITY OF AMES, IOWA
as the “Issuer”

and

Wells Fargo Bank, National Association
as the “Trustee” and “Paying Agent/Registrar”

and

Mary Greeley Medical Center
as the “Hospital”

Relating To The
Issuance of the Issuer’s

\$35,000,000

Hospital Revenue Bonds (Mary Greeley Medical Center),
Series 2019

DORSEY & WHITNEY LLP
801 GRAND, SUITE 4100
DES MOINES, IA 50309-2790
(515) 283-1000 FAX: (515) 283-1060

TABLE OF CONTENTS

This Table of Contents is not a part of this Fourth Supplemental Indenture of Trust and is provided only for convenience of reference.

ARTICLE I	
DEFINITIONS.....	3
Section 1.01. Definitions.....	3
Section 1.02. Interpretation.....	4
ARTICLE II	
THE SERIES 2019 BONDS.....	6
Section 2.01. Authorization of Series 2019 Bonds.....	6
Section 2.02. Terms of the Series 2019 Bonds.....	6
Section 2.03. Form of the Series 2019 Bonds.....	7
Section 2.04. Execution of the Series 2019 Bonds.....	7
ARTICLE III	
ISSUANCE OF SERIES 2019 BONDS; APPLICATION OF PROCEEDS.....	8
Section 3.01. Issuance of the Series 2019 Bonds.....	8
Section 3.02. Application of Proceeds of the Series 2019 Bonds and Other Funds.....	8
Section 3.03. Series 2019 Project Fund.....	8
ARTICLE IV	
REDEMPTION OF SERIES 2019 BONDS.....	11
Section 4.01. Terms of Redemption of Series 2019 Bonds.....	11
Section 4.02. Partial Redemption of Series 2019 Bonds.....	11
Section 4.03. Purchase in Lieu of Redemption.....	12
Section 4.04. Bond Sinking Fund Deposits – Mandatory Deposits.....	12
ARTICLE V	
DEPOSITS TO FUNDS.....	13
Section 5.01. Interest Fund.....	13
Section 5.02. Bond Sinking Fund.....	13
Section 5.03. Debt Service Reserve Fund.....	14
Section 5.04. Series 2019 Rebate Fund.....	14
ARTICLE VI	
FORM OF SERIES 2019 BONDS.....	16
Section 6.01. Form of Series 2019 Bonds.....	16

ARTICLE VII	
SERIES 2019 BOND COVENANTS.....	23
Section 7.01. Application of Series 2011 Bond Covenants.....	23
Section 7.02. Merger, Consolidation, Sale or Conveyance.	23
ARTICLE VIII	
MISCELLANEOUS	24
Section 8.01. Limitation of Rights to Parties and Bond Owners.....	24
Section 8.02. Severability of Invalid Provisions.....	24
Section 8.03. Applicable Provisions of Law.....	24
Section 8.04. Execution in Several Counterparts.....	24

FOURTH SUPPLEMENTAL
INDENTURE OF TRUST

THIS FOURTH SUPPLEMENTAL INDENTURE OF TRUST, made and dated as of October 1, 2019 (the “Fourth Supplemental Indenture”), by and among the City of Ames, Iowa (the “Issuer”), Wells Fargo Bank, National Association (formerly Wells Fargo Bank Iowa, National Association), as trustee (the “Trustee”) and paying agent/registrars (the “Paying Agent/Registrar”) and Mary Greeley Medical Center (the “Hospital”).

WITNESSETH:

WHEREAS, the Hospital is a hospital and “city enterprise” organized and existing under the laws of the State of Iowa; and

WHEREAS, the Hospital has undertaken a hospital improvement project to expand and remodel portions of its existing Hospital Facilities (the “Project”); and

WHEREAS, pursuant to that certain Indenture of Trust dated as of June 1, 2003 (the “Original Indenture” among the Issuer, the Hospital and the Trustee, the Issuer has heretofore issued its \$29,385,000 principal amount of Hospital Revenue Refunding Bonds (Mary Greeley Medical Center), Series 2003 (the “Series 2003 Bonds”) for the purpose of (i) refunding the Series 1992 Bonds (as defined in the Original Indenture) and the Series 1993 Bonds (as defined in the Original Indenture); (ii) funding a debt service reserve fund; and (iii) paying the costs of issuance of the Series 2003 Bonds and costs related thereto; and

WHEREAS, provisions were made in the Original Indenture for the Issuer, on behalf of the Hospital, to incur Additional Indebtedness from time to time which shall be equally and ratably secured by the Indenture (as defined herein) with the Series 2003 Bonds and all other Additional Indebtedness without preference, priority or distinction of any such Additional Indebtedness or Series 2003 Bonds over any other such Additional Indebtedness or Series 2003 Bonds except as provided in the Indenture with respect to the Debt Service Reserve Fund; and

WHEREAS, pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture of Trust dated as of October 1, 2011 (the “First Supplemental Indenture”) among the Issuer, the Hospital and the Trustee, the Issuer has heretofore issued its \$65,000,000 principal amount of Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2011 (the “Series 2011 Bonds”) for the purpose of (i) financing a portion of the costs of the Project (as defined in the First Supplemental Indenture) (the “Series 2011 Project”) and (ii) paying related costs of issuance of the Series 2011 Bonds; and

WHEREAS, pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture and Second Supplemental Indenture of Trust dated as of November 1, 2012 (the “Second Supplemental Indenture”) among the Issuer, the Hospital and the Trustee, the Issuer has heretofore issued its \$26,000,000 principal amount of Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2012 (the “Series 2012 Bonds”) for the purpose of (i) refunding the Series 2003 Bonds, (ii) financing a portion of the costs of the Series 2011 Project, and (iii) paying related costs of issuance of the Series 2012 Bonds; and

WHEREAS, pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture of Trust dated as of June 1, 2016 (the “Third Supplemental Indenture”) among the Issuer, the Hospital and the Trustee, the Issuer has heretofore issued its \$64,790,000 principal amount of Hospital Revenue Refunding Bonds (Mary Greeley Medical Center), Series 2016 (the “Series 2016 Bonds”) for the purpose of (i) refunding the Series 2011 Bonds and (ii) paying related costs of issuance of the Series 2016 Bonds; and

WHEREAS, it is deemed necessary and advisable that the Issuer borrow money and issue its \$35,000,000 principal amount of Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2019 (the “Series 2019 Bonds”) for the purpose of (i) financing a portion of the costs of the Project, and (ii) paying costs of issuance of the Series 2019 Bonds and costs related thereto; and

WHEREAS, the Issuer intends to issue its Series 2019 Bonds pursuant to this Fourth Supplemental Indenture and the Original Indenture (the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture and as further amended and supplemented from time to time is herein referred to as the “Indenture”); and

WHEREAS, Section 9.02(h) of the Original Indenture authorizes the execution and delivery of supplemental indentures without the consent of the Owners of the Bonds, to provide for the issuance of Additional Indebtedness; and

WHEREAS, the execution and delivery of this Fourth Supplemental Indenture and the issuance of the Series 2019 Bonds under the Act have been in all respects duly and validly authorized by resolution duly passed and approved by the Issuer; and

WHEREAS, all acts and proceedings required by law necessary to constitute this Fourth Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Fourth Supplemental Indenture have been in all respects duly authorized;

THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH, that the Original Indenture (as previously supplemented and amended) is hereby supplemented and amended as hereinafter provided and the Issuer and the Hospital do hereby covenant to and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions.

The terms used in this Fourth Supplemental Indenture, unless the context clearly requires otherwise, shall have the same meanings as set forth in the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture. In addition, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Fourth Supplemental Indenture, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“First Supplemental Indenture” means the First Supplemental Indenture of Trust dated as of October 1, 2011, among the Issuer, the Hospital and the Trustee.

“Fourth Supplemental Indenture” means this Fourth Supplemental Indenture of Trust dated as of October 1, 2019 among the Issuer, the Hospital and the Trustee.

“Indenture” means the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture and as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Interest Payment Date” means, with respect to the Series 2019 Bonds, the fifteenth day of each June and December (or, if such day is not a Business Day, on the next succeeding Business Day), commencing _____ to and through the Maturity Date.

“Interest Period” means, with respect to the Series 2019 Bonds, [June 15 through and including December 14 and December 15 through and including June 14, except that the first such Interest Period shall commence on the Series 2019 Closing Date and run through and including _____ and the last Interest Period shall end on the date of final payment of the Series 2019 Bonds.]

“Maturity Date” means, with respect to the Series 2019 Bonds, _____.

“Original Indenture” means the Indenture of Trust among the Issuer, the Hospital and the Trustee dated as of June 1, 2003.

“Original Purchaser” means _____, the original purchaser of the Series 2019 Bonds.

“Project” means the acquisition, construction, equipping, furnishing, expanding and remodeling portions of the existing hospital facilities, including the medical/surgical area, children/maternal services and NICU departments, behavioral health department, inpatient rehabilitation and other areas of the hospital facilities located at the Hospital’s campus as 1111 Duff Avenue, Ames, Iowa.

“Record Date” means, with respect to the Series 2019 Bonds, the first day of [each June and December] (whether or not such day is a Business Day).

“Second Supplemental Indenture” means the Second Supplemental Indenture of Trust dated as of November 1, 2012 among the Issuer, the Hospital and the Trustee.

“Series 2012 Bonds” means the Issuer’s \$26,000,000 Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2012.

“Series 2016 Bonds” means the Issuer’s \$64,790,000 Hospital Revenue Refunding Bonds (Mary Greeley Medical Center), Series 2016.

“Series 2019 Bonds” means the Issuer’s \$35,000,000 Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2019.

“Series 2019 Closing Date” means, with respect to the Series 2019 Bonds, the date on which the Series 2019 Bonds are delivered to the Original Purchaser thereof in exchange for payment of the purchase price therefor.

“Series 2019 Cost of Issuance Fund” means the fund established by Section 5.05 of this Fourth Supplemental Indenture.

“Series 2019 Project Fund” means the fund by that name established pursuant to Section 3.03 of this Fourth Supplemental Indenture.

“Series 2019 Rebate Fund” means the fund established by Section 5.04 of this Fourth Supplemental Indenture.

“Series 2019 Tax Exemption Agreement” means the Tax and Arbitrage Certificate dated as of the Series 2019 Closing Date of the Issuer and the Hospital.

“Third Supplemental Indenture” means the Third Supplemental Indenture of Trust dated as of June 1, 2016 among the Issuer, the Trustee and the Hospital.

“Written Request” means a request in writing of the Hospital signed by an Authorized Representative.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

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

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, section or subdivision hereof.

ARTICLE II
THE SERIES 2019 BONDS

Section 2.01. Authorization of Series 2019 Bonds.

The Series 2019 Bonds are authorized to be issued hereunder in order to borrow money to pay a portion of the cost of the Project and to pay costs of issuance related thereto. The Series 2019 Bonds shall be issued in the par amount of \$35,000,000.

The Indenture constitutes a continuing agreement with the registered Owners from time to time of the Series 2019 Bonds to secure the full payment of the principal of and interest on all such Series 2019 Bonds subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Series 2019 Bonds.

The Series 2019 Bonds shall be originally issued as a single fully registered Bond in the principal amount of \$35,000,000, without coupons, lettered R-1. The Series 2019 Bonds, as originally issued will not be subject to the Book-Entry System referred to in Section 2.10 of the Original Indenture. The Series 2019 Bonds shall be registered in the name of the Original Purchaser.

The Series 2019 Bonds shall be dated as of the Series 2019 Closing Date and shall mature on _____ and shall bear interest from their date, payable semiannually on June 15 and December 15 each year, commencing _____ at the rate of ____% per annum.

Interest on the Series 2019 Bonds shall be calculated on the basis of a 360-day year having twelve 30-day months.

Each Series 2019 Bond shall bear interest from and including the date of its initial authentication and delivery by the Paying Agent/Registrar until payment of the principal thereof shall have been made or provided for at the rates set out above. The interest so payable on any Interest Payment Date will be paid to the persons in whose names the Series 2019 Bonds are registered at the close of business on the Record Date for such Interest Payment Date, except as provided below.

Any interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Owner on such Record Date and shall be paid to the person in whose name the Series 2019 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent/Registrar, notice whereof being given by the Paying Agent/Registrar to the Owners not less than 10 days prior to such Special Record Date.

Interest shall be paid by the Paying Agent/Registrar on the date such interest is due to each Owner at the address shown on the registration books maintained by the Paying Agent/Registrar pursuant to Section 2.07 of the Original Indenture, and such payment shall be transmitted by wire transfer to a bank account maintained by such Owner in the United States of

America and designated in written instructions given to the Paying Agent/Registrar as of the Record Date preceding each Interest Payment Date.

The principal on this Bond payable upon redemption or maturity shall be paid by wire transfer to a bank account maintained by the registered owner as such registered owner shall have furnished to the Trustee in writing prior to the payment date.

The Series 2019 Bonds shall be subject to redemption as provided in Article IV of the Fourth Supplemental Indenture.

Section 2.03. Form of the Series 2019 Bonds.

The Series 2019 Bonds, the certificate of authentication and the form of assignment shall be substantially in the respective forms thereof set forth in Section 6.01 hereof and consistent with the Indenture.

All Series 2019 Bonds shall be in fully registered form, and the Owner of a Series 2019 Bond shall be regarded as the absolute owner thereof for all purposes of the Indenture.

Section 2.04. Execution of the Series 2019 Bonds.

The Series 2019 Bonds shall be executed in the name and on behalf of the Issuer with the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of its City Clerk. The City Treasurer's Certificate appearing on each Series 2019 Bond shall be executed by the manual or facsimile signature of the City Treasurer. The Series 2019 Bonds shall then be delivered to the Paying Agent/Registrar for authentication by it on the date of issuance. In case any of the officers who shall have signed or attested any of the Series 2019 Bonds shall cease to be such officer or officers of the Issuer before the Series 2019 Bonds so signed or attested shall have been authenticated or delivered by the Paying Agent/Registrar, or issued by the Issuer, such Series 2019 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as though those who signed and attested the same had continued to be such officers of the Issuer, and also any Series 2019 Bond may be signed and attested on behalf of the Issuer by such persons as at the actual date of execution of such Series 2019 Bond shall be the proper officers of the Issuer although at the nominal date of such Series 2019 Bond any such person shall not have been such officer of the Issuer.

Only those Series 2019 Bonds that bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by the Paying Agent/Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Paying Agent/Registrar shall be conclusive evidence that the Series 2019 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

ARTICLE III
ISSUANCE OF SERIES 2019 BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Series 2019 Bonds.

Upon execution of this Fourth Supplemental Indenture, the Issuer shall execute and, upon satisfaction of the conditions set forth in this Section, the Paying Agent/Registrar shall authenticate and, upon request of the Issuer, deliver the Series 2019 Bonds in the principal amount of \$35,000,000 to the Original Purchaser in exchange for the purchase price thereof. Prior to the authentication and delivery of the Series 2019 Bonds by the Paying Agent/Registrar, there shall have been filed with the Trustee each of the following:

- (a) A copy of this Fourth Supplemental Indenture, duly executed;
- (b) A copy of duly executed approving opinions of Bond Counsel and Counsel to the Issuer and the Hospital, addressed to the Trustee, the Hospital, the Issuer and the Original Purchaser.

Section 3.02. Application of Proceeds of the Series 2019 Bonds and Other Funds.

A. Series 2019 Bond Proceeds. The proceeds from the sale of the Series 2019 Bonds shall be delivered to the Trustee on the Series 2019 Closing Date and deposited as follows:

- (i) in the Series 2019 Project Fund, the amount of \$_____ to be applied as provided in Section 3.03 hereof to pay costs of the Project (including costs of issuance); and
- (ii) in the Series 2019 Costs of Issuance Fund, the amount of \$_____ to be applied as provided in Section 5.05 hereof to pay Costs of Issuance.

B. Other Funds.

[Insert if any other funds]

Section 3.03. Series 2019 Project Fund.

There is hereby created and established with the Trustee a trust fund to be designated "Series 2019 Project Fund – Mary Greeley Medical Center" (the "Series 2019 Project Fund") which shall be expended in accordance herewith. The Trustee shall, from time to time, establish such accounts in the Series 2019 Project Fund as may be requested by the Borrower. Moneys received from the investment of moneys in the Series 2019 Project Fund shall be retained in the Series 2019 Project Fund.

(a) Disbursements from the Series 2019 Project Fund. Money on deposit in the Series 2019 Project Fund shall be paid out from time to time by the Trustee to or upon the Written Request of the Hospital in order to pay or as reimbursement to the Hospital for payments

made by it for the costs of acquiring, constructing and/or installing the Project (not paid or reimbursed from the proceeds of the Series 2019 Bonds), including the following purposes (but, subject to the provisions of subparagraph (d) hereof, for no other purposes):

(1) Payment or reimbursement to the Hospital of such amounts as shall be necessary to pay for or reimburse the Hospital for expenditures in connection with (i) the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof), and payment of any architectural, engineering or supervisory fees and expenses and (ii) any other costs and expenses relating to the Project;

(2) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to any of the Project; and

(3) Payment of any other costs and expenses relating to the Project.

(b) Written Request of the Hospital for payments from the Series 2019 Project Fund. Money on deposit in the Series 2019 Project Fund shall be paid out from time to time by the Trustee to or upon the order of the Hospital in each case upon receipt by the Trustee of a Written Request of the Hospital: (A) Stating that costs of an aggregate amount set forth in such Written Request have been made or incurred and were necessary for the construction, acquisition and/or installation of the Project and were made or incurred in accordance with the construction contracts or purchase orders therefor then in effect; (B) Stating that the amount paid or to be paid, as set forth in such Written Request, is reasonable and represents a part of the amount payable for the costs of construction, acquisition and/or installation of the Project and that such payment was not paid in advance of the time, if any, fixed for payment and was made in accordance with the terms of any contracts or purchase orders applicable thereto and in accordance with usual and customary practice under existing conditions; and (C) Stating that no part of the said costs of the Project was included in any Written Request previously filed with the Trustee under the provisions hereof or similar provisions in the Fourth Supplemental Indenture relating to the Project Fund.

(c) Disposition of Series 2019 Project Fund Money After Completion. If after payment by the Trustee of all orders theretofore tendered to the Trustee under the provisions of subparagraph (b) of this Section 3.03 there shall remain any balance of money in the Series 2019 Project Fund, such money shall be deposited as follows: (1) if less than 95% of the net proceeds of the Series 2019 Bonds have been expended to pay the costs of construction, acquisition and/or installation of the Project, the excess money in the Series 2019 Project Fund shall be transferred to the Redemption Fund and shall be deposited into a separate subaccount therein created by the Trustee, invested in Investment Securities having a yield no greater than the yield on the Series 2019 Bonds, and applied to redemption of Series 2019 Bonds pursuant to Section 4.01 hereof on the first date on which such Series 2019 Bonds may be redeemed without premium, or (2) the excess money in the Series 2019 Project Fund shall be transferred to the Bond Sinking Fund.

(d) Investment of Series 2019 Project Fund Money. Money on deposit in the Series 2019 Project Fund may be invested only in Investment Securities and the income therefrom shall be credited to the Series 2019 Project Fund.

Money on deposit in the Series 2019 Project Fund may be used to pay costs of issuance of the Series 2019 Bonds upon Written Request of the Hospital.

ARTICLE IV
REDEMPTION OF SERIES 2019 BONDS

Section 4.01. Terms of Redemption of Series 2019 Bonds.

(a) The Series 2019 Bonds are subject to mandatory redemption by lot at 100 percent of the principal amount thereof to be redeemed, plus accrued interest to the redemption date in accordance with the mandatory Bond Sinking Fund schedule set forth in Section 4.04 hereof.

(b) The Series 2019 Bonds maturing on or after June 15, ____, are subject to redemption by the Issuer at the option of the Hospital on June 15, ____ and on any date thereafter in whole or in part in such amounts and maturities as designated by the Hospital and within any maturity randomly or other method deemed fair by the Trustee, at par, without premium.

(c) The Series 2019 Bonds are subject to redemption in whole or in part as designated by the Hospital by lot or other method deemed fair by the Trustee, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, and without premium, in the event that the Hospital Facilities or any portion thereof, are destroyed by fire or other casualty or condemned or taken by eminent domain, and such damage, destruction or taking is estimated to equal or exceed five percent (5%) of the Book Value of the Hospital Facilities. In the event of such damage, destruction, condemnation or taking, the Issuer has the option (at the direction of the Hospital) to apply the applicable insurance or condemnation proceeds to the prepayment of its obligations thereunder, in whole or in part, which moneys will be deposited in the Redemption Fund and applied to the redemption of the Bonds. If Additional Indebtedness is issued on a parity with the Bonds, such insurance or condemnation proceeds will be apportioned among the Bonds and the Additional Indebtedness in proportion to the respective outstanding amounts thereof.

Section 4.02. Partial Redemption of Series 2019 Bonds.

The Series 2019 Bonds in denominations larger than \$5,000 may be redeemed in integral multiples of \$5,000. Upon surrender of any Bond redeemed in part only, the Issuer shall execute and the Paying Agent/Registrar shall authenticate and deliver to the registered Owner thereof, at no expense to the Owner, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed Portion of the Bond surrendered. Costs of printing and/or authentication of new Bonds shall be paid by the Hospital. If there is a partial redemption of the Bonds the Trustee shall make the appropriate adjustments required in the Bonds as directed by the Hospital.

In the event of any partial redemption of the Series 2019 Bonds pursuant to this Section, the mandatory Bond Sinking Fund redemption payments relating to the Series 2019 Bonds shall be reduced in the inverse order thereof. The Trustee shall (in such manner as it in its sole discretion shall choose) adjust the amount of each such reduction in required Bond Sinking Fund

redemption payment, so that each such required Bond Sinking Fund redemption payment is made in integral amounts of \$5,000.

Section 4.03. Purchase in Lieu of Redemption.

In lieu of redeeming Bonds pursuant to Section 4.01 the Trustee may, at the request of the Hospital, use funds on deposit in the Redemption Fund to purchase the Series 2019 Bonds at a price not exceeding the redemption price then applicable hereunder.

Section 4.04. Bond Sinking Fund Deposits – Mandatory Deposits.

With respect to the payment of Series 2019 Bonds by maturities or mandatory redemption through the Bond Sinking Fund, the Issuer shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times, respectively, as follows:

<u>June 15 of the Year</u>	<u>Principal Amount</u>	<u>June 15 of the Year</u>	<u>Principal Amount</u>
--------------------------------	-----------------------------	--------------------------------	-----------------------------

provided, that such amounts shall be reduced (a) by the amount of Series 2019 Bonds acquired and delivered in accordance with Section 4.03 hereof in satisfaction of such Bond Sinking Fund requirements, and (b) in connection with a partial redemption of Series 2019 Bonds in the manner provided in the last paragraph of Section 4.02 and Section 4.03 hereof. Moneys on deposit in the Bond Sinking Fund on _____ - shall be applied to the payment of the Series 2019 Bonds maturing on such date which have not been previously redeemed. Moneys on deposit in the Bond Sinking Fund on June 15 of the years ____ through ____ shall be applied to redemption of a portion of the Series 2019 Bonds maturing on _____. Payment or redemption of the Series 2019 Bonds through the Bond Sinking Fund shall be without premium. In the event the Series 2019 Bonds maturing on a specific date as aforesaid have been fully paid and moneys are on deposit in the Bond Sinking Fund to redeem Series 2019 Bonds maturing on that specific maturity date, then such moneys on deposit in the Bond Sinking Fund shall be applied to Series 2019 Bonds maturing on the next succeeding maturity date in the order above set forth. The Series 2019 Bonds shall be redeemed by the Trustee pursuant to the provisions of this paragraph without any notice from or direction by the Issuer or the Hospital.

ARTICLE V
DEPOSITS TO FUNDS

Section 5.01. Interest Fund.

Section 5.04 of the Original Indenture provided for the establishment and maintenance by the Trustee of the Interest Fund for the payment of the interest on the Bonds.

From and after the issuance of the Series 2019 Bonds and as long as the Series 2019 Bonds are outstanding, in addition to the payments required to be made into the Interest Fund by the Indenture with respect to interest of any Bonds currently Outstanding, the Hospital shall deposit, from the Net Revenues, additional amounts into the Interest Fund for the payment of interest on the Series 2019 Bonds, on or before the 10th day of December, 2019 an amount equal to the interest coming due on the Series 2019 Bonds on the next succeeding Interest Payment Date and thereafter on or before the 10th day of each month, commencing with the 10th day of January, 2020, an amount equal to 1/6 of the interest coming due on the Series 2019 Bonds on the next succeeding Interest Payment Date; provided, however, that no monthly deposit need be made to the extent that there is a sufficient amount already on deposit in the Interest Fund to pay interest on the Bonds on the next Interest Payment Date. **[CONFORM TO TERMS]**

Section 5.02. Bond Sinking Fund.

The Indenture provides for the establishment and maintenance by the Trustee of the Bond Sinking Fund for the payment of the principal of the Bonds. From and after the issuance of the Series 2019 Bonds and as long as the Series 2019 Bonds are outstanding, in addition to the payments required to be made into the Bond Sinking Fund by the Indenture with respect to principal of any Bonds currently Outstanding, the Hospital shall deposit, from the Net Revenues, additional amounts into the Bond Sinking Fund for the payment of principal of the Series 2019 Bonds on or before the 10th day of each month, commencing with the 10th day of December, 2019 through and including the 10th day of June, 2020 an amount equal to 1/7 of the principal coming due on the Series 2019 Bonds on June 15, 2020, and thereafter on or before the 10th day of each month, commencing with the 10th day of July, 2020, an amount equal to 1/12 of the principal coming due on the Series 2019 Bonds on the next succeeding June 15; provided, however, that no monthly deposit need be made to the extent that there is a sufficient amount already on deposit in the Bond Sinking Fund to pay principal on the Bonds on the next June 15. **[CONFORM TO TERMS]**

In addition to the payments required to be made in Section 5.05 of the Original Indenture and in Section 5.02 of each of the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, money on deposit in the Bond Sinking Fund, other than income earned thereon which is to be transferred to other funds created hereunder, shall be applied by the Trustee to pay principal on the Series 2019 Bonds as it becomes due and to redeem the Series 2019 Bonds in accordance with the mandatory Bond Sinking Fund redemption schedule provided for in Section 4.04 hereof. In lieu of such mandatory Bond Sinking Fund redemption, the Trustee may, at the request of the Hospital, purchase from amounts on deposit in the Redemption Fund an equal principal amount of Series 2019 Bonds of the maturity to be redeemed at prices not exceeding the principal amount of the Series 2019

Bonds being purchased plus accrued interest. In addition, the amount of the Series 2019 Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced in inverse order, by the principal amount of the Series 2019 Bonds of the maturity required to be redeemed which are acquired by the Hospital or the Issuer and delivered to the Trustee for cancellation or which have been redeemed pursuant to the second paragraph of Section 4.02 hereof.

As provided in Section 5.05 of the Original Indenture and Section 5.02 of the First Supplemental Indenture, if and to whatever extent any Additional Indebtedness is issued or incurred under the conditions and restrictions set forth in this Indenture, provision shall be made for increasing the payments into the Bond Sinking Fund to meet principal installments of such Additional Indebtedness when due (whether by maturity or mandatory sinking fund redemption provisions).

Section 5.03. Debt Service Reserve Fund.

The Original Indenture provided for the establishment and maintenance by the Trustee of the Debt Service Reserve Fund. A deposit to the Debt Service Reserve Fund will not be made on the Series 2019 Closing Date and the Series 2019 Bonds shall not be secured by the Debt Service Reserve Fund.

Section 5.04. Series 2019 Rebate Fund.

The Trustee shall establish and maintain so long as any Series 2019 Bonds are Outstanding and are subject to a requirement of the Code that arbitrage profits be rebated to the United States of America, a separate subaccount created in the Rebate Fund established in the Original Indenture to be known as the “Series 2019 Rebate Fund – Mary Greeley Medical Center” (the “Series 2019 Rebate Fund”). The Trustee shall make information regarding the Series 2019 Bonds and investments hereunder available to the Hospital. The Trustee shall make deposits and disbursements from the Series 2019 Rebate Fund in accordance with the Series 2019 Tax Exemption Agreement pursuant to written instructions from the Hospital, shall invest the amounts held in the Series 2019 Rebate Fund pursuant to written instructions from the Hospital and shall deposit income from such investments immediately upon receipt thereof in the Series 2019 Rebate Fund. Anything in the Indenture to the contrary notwithstanding, this Section 5.04 and the Series 2019 Tax Exemption Agreement may be superseded or amended by new instructions delivered by the Hospital and accompanied by an opinion of Bond Counsel addressed to the Trustee and the Issuer to the effect that the use of the new instructions will not cause interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes.

If a deposit to the Series 2019 Rebate Fund is required as a result of the computations made or caused to be made by the Hospital, the Hospital shall pay such amount to the Trustee, together with written direction from the Hospital, and the Trustee shall accept such payment for deposit into the Series 2019 Rebate Fund. If amounts in excess of that required to be rebated to the United States of America accumulate in the Series 2019 Rebate Fund, the Trustee shall upon written direction from the Hospital transfer such amount to the Hospital. Records of the

determinations required by this Section and the instructions must be retained by the Trustee until six years after the Series 2019 Bonds are no longer outstanding.

Section 5.05. Series 2019 Costs of Issuance Fund.

There is hereby created and established with the Trustee a trust fund to be designated “Series 2019 Costs of Issuance Fund – Mary Greeley Medical Center” (the “Series 2019 Costs of Issuance Fund”) which shall be expended in accordance herewith. Initial deposits to the credit of the Series 2019 Costs of Issuance Fund shall be made pursuant to Section 3.02 hereof. Money on deposit in the Series 2019 Costs of Issuance Fund shall be paid out from time to time by the Trustee to or upon the Written Request of the Hospital in order to pay or as reimbursement to the Hospital for payment of Costs of Issuance. Money on deposit in the Series 2019 Costs of Issuance Fund may be invested only in Investment Securities and the income therefrom shall be credited to the Series 2019 Costs of Issuance Fund. Any moneys remaining in the Series 2019 Costs of Issuance Fund after April 1, 2020 shall be transferred to the Interest Fund.

ARTICLE VI
FORM OF SERIES 2019 BONDS

Section 6.01. Form of Series 2019 Bonds.

The Series 2019 Bonds shall be in substantially the following form with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture:

UNITED STATES OF AMERICA
STATE OF IOWA
COUNTY OF STORY
CITY OF AMES, IOWA

HOSPITAL REVENUE BOND
(MARY GREELEY MEDICAL CENTER)
SERIES 2019

R-1 \$ _____

DATED DATE MATURITY DATE INTEREST RATE CUSIP NO.

PRINCIPAL AMOUNT:

REGISTERED OWNER:

The City of Ames, Iowa (the "Issuer"), for value received, hereby promises to pay in lawful money of the United States of America to the registered owner specified above or registered assigns, on the maturity date specified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the sources hereinafter identified, the principal sum specified above and to pay interest on such principal amount in like manner, but solely from the sources hereinafter identified, at the interest rate specified above payable June 15 and December 15 of each year (the "Interest Payment Dates") commencing [December 15, 2019], until payment of such principal amount, or provision therefor, shall have been made upon redemption or at maturity. The principal of this Bond and the premium, if any, payable upon redemption, are payable at the designated corporate trust office of Wells Fargo Bank, National Association, as Trustee (the "Trustee").

Interest payments hereon shall be made to the registered owners hereof appearing on the registration books of the Issuer (the "Bond Register") maintained by the Trustee, as bond registrar, as of the close of business of the Trustee on the June 1 or December 1 immediately preceding the Interest Payment Date (the "Record Date") and shall be paid to the registered owner as of the Record Date by wire transfer to a bank account maintained by such registered owner in the United States of America and designated in written instructions given to the Trustee

at least fifteen days prior to an Interest Payment Date. The principal on this Bond payable upon redemption or maturity shall be paid by wire transfer to a bank account maintained by the registered owner as such registered owner shall have furnished to the Trustee prior to the payment date.

This Bond and the series of which it is a part (the “Series 2019 Bonds”) are issued by the Issuer pursuant to and in strict compliance with the provisions of Division V of Chapter 384 of the Code of Iowa, and all other laws amendatory thereof and supplemental thereto (the “Act”), and in conformity with a resolution of the City Council of the Issuer (the “Resolution”) and an Indenture of Trust dated as of June 1, 2003, as supplemented and amended by a First Supplemental Indenture of Trust dated as of October 1, 2001, a Second Supplemental Indenture of Trust dated as of November 1, 2012, a Third Supplemental Indenture of Trust dated as of June 1, 2016 and a Fourth Supplemental Indenture of Trust dated as of October 1, 2019 (as supplemented and amended from time to time, the “Indenture”) among the Issuer, Mary Greeley Medical Center (the “Hospital”) and the Trustee, and reference is hereby made to the Resolution and the Indenture for a more complete statement as to the source of payment of the Series 2019 Bonds and the rights of the owners of the Series 2019 Bonds.

The Series 2019 Bonds are issued for the purpose of providing the proceeds to the Hospital for the purpose of financing a portion of the cost of a Project (as defined in the Indenture), refunding the Series 2003 Bonds (as defined in the Indenture) and the funding of bond issuance expenses. The Series 2019 Bonds are not general obligations of said Issuer, but the Series 2019 Bonds, together with the Issuer’s Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2012 (the “Series 2012 Bonds”), the Issuer’s Hospital Revenue Bonds (Mary Greeley Medical Center), Series 2016 (the “Series 2016 Bonds”), and certain additional bonds, notes or other obligations (the “Additional Indebtedness”) as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Indenture, are payable solely and only out of the future Net Revenues of the Hospital, a sufficient portion of which has been ordered set aside and pledged for that purpose, and the amounts on deposit in the funds and accounts pledged to the payment thereof (except the Rebate Fund) held by the Trustee under the Indenture. The Series 2019 Bonds are not secured by a debt service reserve fund. This Bond is not payable in any manner by taxation, and under no circumstances shall the Issuer be in any manner liable by reason of the failure of the said Net Revenues to be sufficient for the payment of this Bond and the interest hereon. The Series 2019 Bonds, the Series 2012 Bonds, the Series 2016 Bonds and any such Additional Indebtedness and the interest and premium, if any, payable thereon are not obligations of the State of Iowa (the “State”), or of any political subdivision thereof, other than the Issuer, and are special limited obligations of the Issuer payable solely from the Net Revenues of the Hospital pledged to their payment pursuant to the Indenture and other amounts pledged therefor in accordance with the Indenture. Upon the occurrence of an event of default under the Indenture, the sole remedy of the Trustee and the Bondholders is a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties set forth in Division V of the Act and the terms of the Indenture or to obtain the appointment of a receiver to take possession of and operate the Hospital Facilities and to perform the duties required by Division V of the Act and the terms of the Indenture.

The Series 2019 Bonds are subject to redemption by the Issuer at the option of the Hospital on June 15, 20____ and on any date thereafter in whole or in part in such amounts as designated by the Hospital by lot or other method deemed fair by the Trustee, at par, plus accrued interest to the redemption date, without premium [CONFORM].

The Series 2019 Bonds are entitled to the benefits of a Bond Sinking Fund as provided in the Indenture. [CONFORM] Moneys on deposit in the Bond Sinking Fund on June 15 of each of the years 2020 through 2026 shall be applied to the redemption of a portion of the Series 2019 Bonds maturing on June 15, 2027, in each case by lot upon the notice and in the manner as provided in Article IV of the Indenture. Payment or redemption of Series 2019 Bonds through the Bond Sinking Fund shall be without premium. The Issuer will receive credit against the required Bond Sinking Fund deposits to reflect Bonds purchased or redeemed from amounts on deposit in the Redemption Fund or acquired by the Issuer or the Hospital and delivered to the Trustee in accordance with the provisions of the Indenture.

The Series 2019 Bonds are subject to redemption in whole or in part at any time as designated by the Hospital by lot or other method deemed fair by the Trustee, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, and without premium, in the event that the Hospital Facilities or any portion thereof, are destroyed by fire or other casualty or condemned or taken by eminent domain, and such damage, destruction or taking is estimated to equal or exceed five percent (5%) of the Book Value of the Hospital Facilities. In the event of such damage, destruction, condemnation or taking, the Issuer has the option (at the direction of the Hospital) to apply the applicable insurance or condemnation proceeds to the prepayment of its obligations thereunder, in whole or in part, which moneys will be deposited in the Redemption Fund and applied to the redemption of Bonds. If Additional Indebtedness is hereafter issued on a parity with the Series 2019 Bonds and the Series 2011 Bonds, such insurance or condemnation proceeds will be apportioned among the Series 2019 Bonds, the Series 2012 Bonds, the Series 2016 Bonds and the Additional Indebtedness in proportion to the respective outstanding amounts thereon.

Series 2019 Bonds in denominations larger than \$5,000 may be redeemed in part in integral multiples of \$5,000. If less than all of the Series 2019 Bonds are to be redeemed, the particular Series 2019 Bonds to be redeemed shall be selected by the Trustee by lot or other method deemed fair by the Trustee. The Series 2019 Bonds may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Series 2019 Bond in a denomination of more than \$5,000 is to be redeemed, the Trustee will issue a new Series 2019 Bond for the amount of the original Series 2019 Bond not redeemed and deliver it to the Bondholder. Notice of such redemption as aforesaid identifying the Series 2019 Bond or Bonds (or portion thereof) to be redeemed shall be mailed by first-class mail to the registered owner at the address shown on the Bond Register not less than 45 nor more than 60 days prior to such redemption date. All of such Series 2019 Bonds as to which the Issuer reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided shall cease to bear interest on the redemption date.

This Bond is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the Issuer in the office of the Trustee, as bond registrar,

after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Trustee, together with either a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney or the assignment form hereon completed and duly executed by the registered owner or his duly authorized attorney.

The Issuer, the Trustee and any Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purposes of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the Issuer, the Trustee and any Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified, Recited and Declared that all conditions, acts and things required to exist, happen and be performed precedent to and in the issuance of the Series 2019 Bonds, have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of this Bond does not exceed or violate any constitutional or statutory limitation or provision.

IN WITNESS WHEREOF, the City of Ames, Iowa has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and by the facsimile signature of its City Clerk and its facsimile seal to be hereunto affixed, all as of the Dated Date specified above.

CITY OF AMES, IOWA

By _____
Mayor

Attest:

City Clerk

(SEAL)

(On each Series 2019 Bond the following certificate shall be executed with the duly authorized facsimile signature of the City Treasurer):

STATE OF IOWA)
CITY OF AMES) SS: CITY TREASURER'S CERTIFICATE
COUNTY OF STORY)

The original issuance of the Series 2019 Bonds, of which this Bond is a part, was duly and properly recorded in my office as of the Dated Date specified above, pursuant to Section 384.83(4) of the Code of Iowa.

City Treasurer

(On each Series 2019 Bond there shall be a registration date line and a certificate of authentication of the Trustee in the following form:)

Registration Date: _____

This Bond is one of the Bonds described in the within-mentioned Indenture.

Wells Fargo Bank, National Association
as Trustee and Paying Agent/Registrar

By _____
Authorized Signatory

So long as the Book-Entry System is in effect and the Bonds are registered to CEDE & Co, or any other nominee of the DTC, the Bonds shall bear the following legend:

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of CEDE & Co. or in such other name 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.

(Legend as to Abbreviations)

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to

	UNIF	TRANSFER	MIN	ACT
	_____	Custodian	_____	
TEN COM	-	as tenants in common	(cust)	(minor)
TEN ENT	-	as tenants by the entireties		
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act	
			_____	(State)

Additional abbreviations may also be used though not in the list above.

(Form of Assignment)

(An Assignment, in the form hereinafter set out, should be printed on each Bond:)

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned, sells, transfers and assigns this Bond to _____

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____
Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed: _____

NOTE: The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Paying Agent/Registrar. Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program acceptable to the Trustee.

ARTICLE VII
SERIES 2019 BOND COVENANTS

Section 7.01. Application of Series 2011 Bond Covenants.

So long as the Series 2019 Bonds are Outstanding, the Series 2011 Bond Covenants (as defined in the First Supplemental Indenture) contained in Article VII of the First Supplemental Indenture shall apply to the Series 2019 Bonds, notwithstanding the payment and satisfaction of the Series 2011 Bonds. **{CONFIRM}**

Section 7.02. Merger, Consolidation, Sale or Conveyance.

So long as the Series 2019 Bonds are outstanding, the Hospital agrees that it will not merge into or consolidate with one or more Persons, allow one or more such Persons to merge into it, or sell or convey or lease on a capitalized basis all or substantially all of its assets to any Person unless (a) the surviving or successor or transferee Person assumes in writing all of the Issuer's and the Hospital's obligations under the Indenture and the Bonds and (b) the Hospital (or the surviving, successor or transferee Person) delivers to the Trustee and the Original Purchaser (i) an Officer's Certificate to the effect that the Hospital (or such Person) will be in compliance with Sections 6.08 and 7.03 of the Original Indenture and the First Supplemental Indenture, respectively, both on a pro forma basis, and (ii) an Opinion of Bond Counsel to the effect that such merger, consolidation, sale, conveyance or lease will not affect the tax exempt status of the Bonds.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Limitation of Rights to Parties and Bond Owners.

Nothing in this Fourth Supplemental Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Issuer, the Hospital, the Trustee, the Paying Agent/Registrar and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Fourth Supplemental Indenture or any covenant, condition or provision therein or herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuer, the Hospital, the Trustee, the Paying Agent/Registrar and the Owners of the Bonds.

Section 8.02. Severability of Invalid Provisions.

If any one or more of the provisions contained in this Fourth Supplemental Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Fourth Supplemental Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Fourth Supplemental Indenture, and this Fourth Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.03. Applicable Provisions of Law.

This Fourth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Iowa.

Section 8.04. Execution in Several Counterparts.

This Fourth Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Issuer, the Hospital, the Trustee and the Paying Agent/Registrar shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed in its name by its Mayor and attested by its City Clerk, all as of the day and year first above written.

CITY OF AMES, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

IN WITNESS WHEREOF, the Hospital has caused this Indenture to be signed in its name by an authorized officer, all as of the day and year first above written.

MARY GREELEY MEDICAL CENTER

By _____
President

IN WITNESS WHEREOF, the Trustee, in acceptance of the trusts created hereunder, has caused this Fourth Supplemental Indenture to be signed in its corporate name by its officer thereunder duly authorized all as of the day and year first above written.

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Trustee and Paying Agent/Registrar

By: _____
Vice President



Financing Update

Prepared for

Mary Greeley Medical Center

John Henningsgard

MANAGING DIRECTOR

Tel: (612) 303-1706

Email: john.d.henningsgard@pjc.com

Steve Proeschel

MANAGING DIRECTOR

Tel: (612) 303-6649

Email: steven.j.proeschel@pjc.com

Mickey Mendoza

ANALYST

Tel: (612) 303-6216

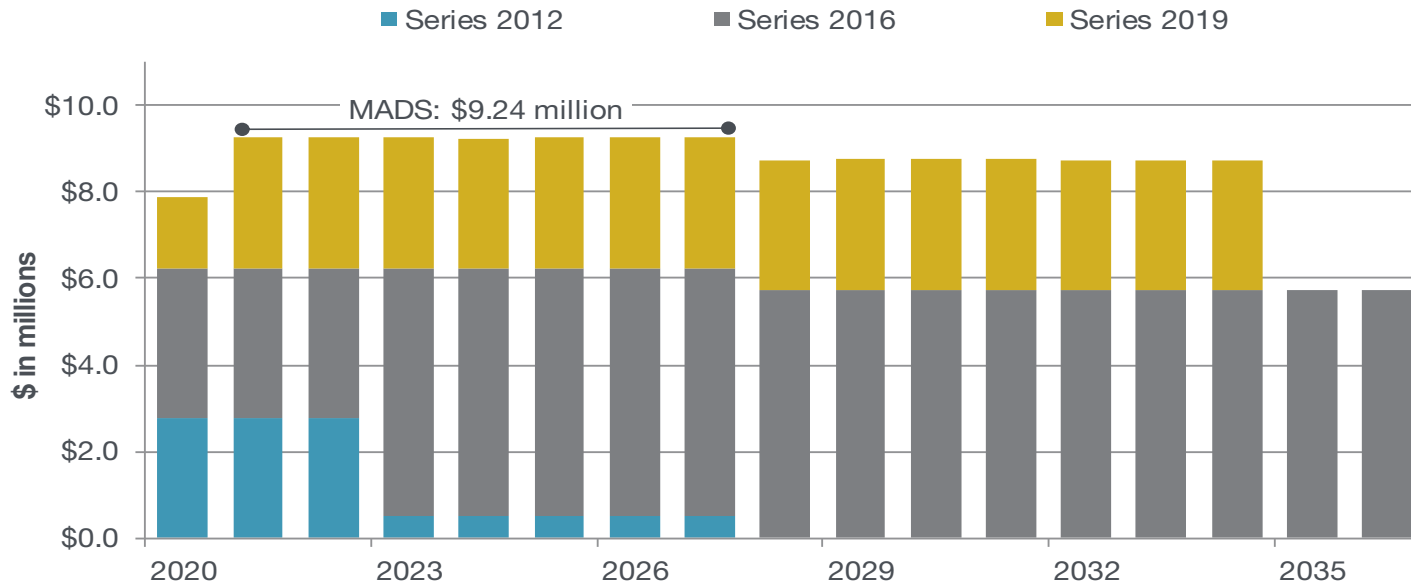
Email: mickey.d.mendoza@pjc.com

Overview

- Mary Greeley Medical Center evaluated a number of potential financing options for the Project, including tax-exempt public offering and private placement options.
- Financing amounts ranging from \$25 million to \$40 million were considered.
- Mary Greeley has elected to move forward with the following financing:
 - Tax-exempt direct placement
 - 15 year term
 - Principal amount of up to \$35 million
- The following pages show the aggregate debt service and financing economics assuming a \$35 million financing amount and a conservative interest rate of 3.00% on the new debt.
- In addition, key financial ratios are shown on an historical and pro forma basis, including comparison to the rating agency medians.

Tax-Exempt Placement, \$35 Million Par Amount

Pro Forma - Private Placement (Tax-Exempt), \$35 Million Par Amount



Sources of Funds*

Par Amount	\$35,000,000
Total Sources of Funds*	\$35,000,000

Uses of Funds*

Project Fund Deposit	\$34,562,500
Costs of Issuance	437,500
Total Uses of Funds*	\$35,000,000

Financing Economics/Statistics*

All-Inclusive Cost	3.18%
Bond Average Life (Years)	8.2
Weighted Average Annual Cost of Capital	3.63%
Aggregate Maximum Annual Debt Service	\$9,247,267
Pro Forma FY 2018 MADS Coverage	5.15x

*Preliminary, subject to change.

Summary of Financing Economics*

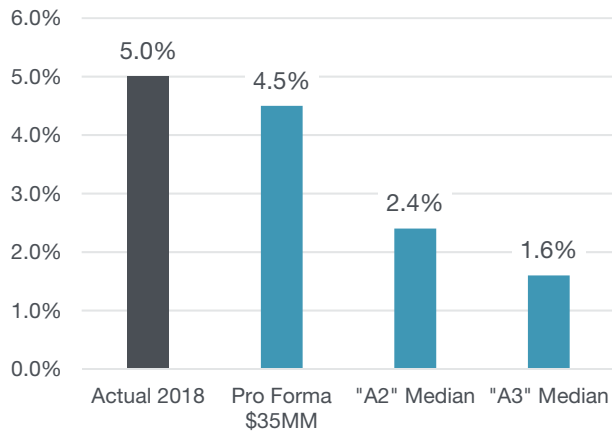
	\$35 Million Par 15 Year Term
Principal Amount	\$35,000,000
Project Proceeds Delivered	\$34,562,500
Term of Debt (years)	15
Average Life	8.2 years
All-in-TIC	3.18%
Weighted Average Cost of Capital	3.63%
Agg. Maximum Annual Debt Service	\$9,247,267
Average Annual Interest Expense	\$576,000
Total Interest Expense	\$8,640,000
Pro Forma FY 2018 MADS Coverage	5.15x

* Preliminary, subject to change.

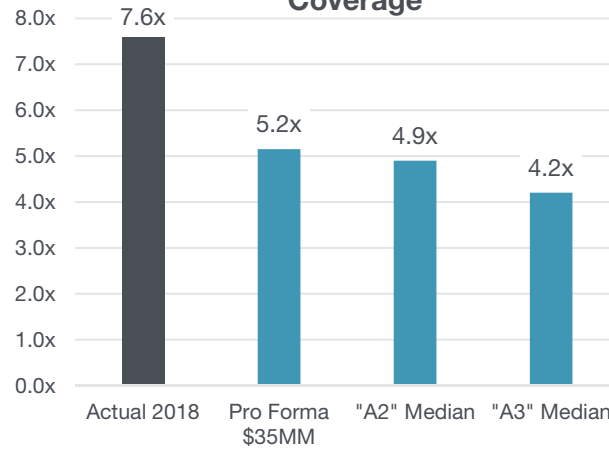
Key Ratio Impact of Debt Financing Options

Project Amount Assumed to be \$39.5 million

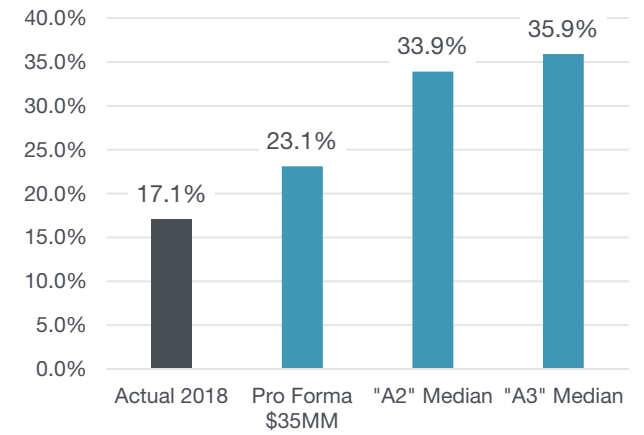
Operating Margin



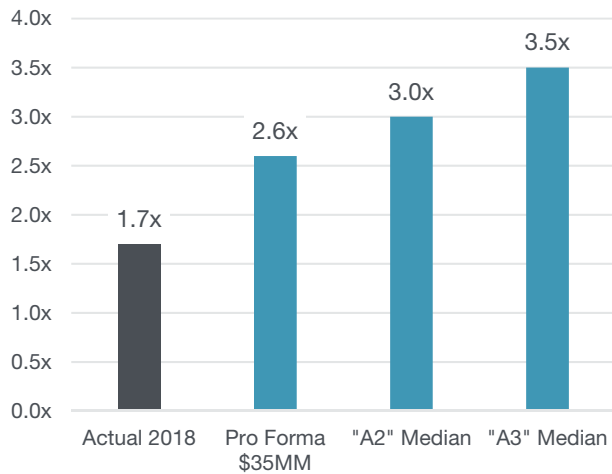
Maximum Annual Debt Service Coverage



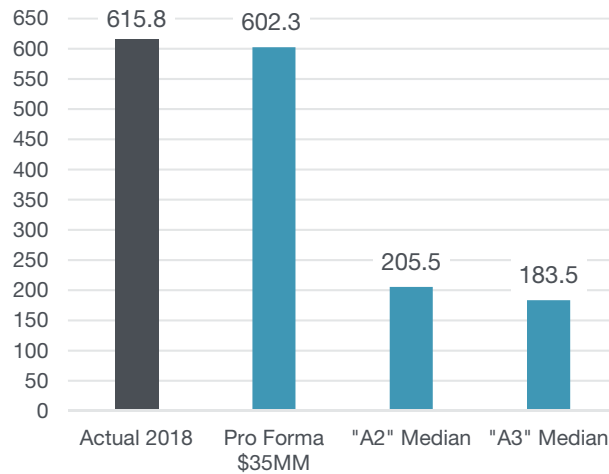
Debt to Capitalization



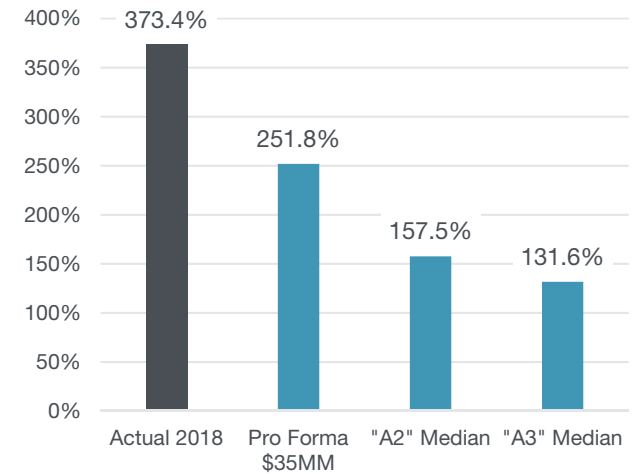
Debt to Cash Flow



Days Cash on Hand



Cash To Debt



Disclosure

Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a “recommendation” or “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray’s primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm’s-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today’s market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.