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October 29, 2009

Red Mortgage Capital, Inc.
Two Miranova Place
Columbus, OH 43215

Krooth & Altman LLP
1850 M Street, NW, Suite 400
Washington D.C. 20036

Federal Housing Commissioner
1670 Broadway, 25th Floor
Denver, Colorado 80202-3607

Eichner & Norris PLLC
1225 19th Street NW, Suite 750
Washington, DC 20036

Re: Project Name: Coulee Medical Center
FHA Project No.: 171-13006
Location: Grand Coulee, Grant County, Washington
Mortgagor: Coulee Medical Foundation
Operator: Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District
No. 6

Ladies and Gentlemen:

We are general counsel to the Coulee Medical Foundation (the "Mortgagor"), a non-profit corporation organized under the laws of the State of Washington (the "Organizational Jurisdiction") and the Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District No. 6 ("Operator"), a public hospital district organized under the laws of the State of Washington in connection with (i) a mortgage loan (the "Loan") in the original principal amount of Twenty Three Million One Hundred Sixty Five Thousand Dollars (\$23,165,000) from Red Mortgage

Capital, Inc. (the "Mortgagee") to the Mortgagor and the issuance of the Bonds (as defined below) by the Mortgagor. The proceeds of the Loan will be used to construct that certain hospital project (the "Project"), commonly known as Coulee Medical Center (formerly known as Coulee Community Hospital, including the Coulee Family Medical Clinic) located in Grand Coulee, Grant County, Washington (said State to be referred to hereinafter as the "Property Jurisdiction") on the property described in Exhibit "B", (together with all improvements and fixtures thereon) (the "Property"). The Loan is being insured by the Federal Housing Administration ("FHA"), an organizational unit of the United States Department of Housing and Urban Development ("HUD"), pursuant to a commitment for insurance of advances issued to Red Capital Mortgage, Inc., as Originating Mortgagee, by Roger Miller, Agent of the Federal Housing Commissioner, dated June 30, 2009 ("FHA Commitment") as amended by that certain letter to Mortgagee from Roger Miller dated September 29, 2009. The Loan is being funded by the Mortgagor's issuance and sale of Taxable Revenue Build America Bonds (GNMA Collateralized - Coulee Medical Center) Series 2009A (the "Bonds") on behalf of the Operator. The Mortgagor and Operator have requested that we deliver this opinion and have consented to reliance by Bond Counsel and Mortgagee's counsel in rendering its opinion to Mortgagee and to reliance by Mortgagee and HUD in making and insuring, respectively, the Loan and has waived any privity between Mortgagor and us in order to permit said reliance by Mortgagee, counsel to Mortgagee, Bond Counsel and HUD. We consent to reliance on this opinion by Mortgagee, counsel to Mortgagee, Bond Counsel and HUD.

In our capacity as general counsel to the Mortgagor and the Operator, we have prepared or reviewed the following:

- A. Certified copies of the Mortgagor's Articles of Incorporation, the By-laws, Good Standing Certificate, and Certificate of Incumbency (collectively, the "Mortgagor's Organizational Documents") and certified copies of the Operator's By-laws, organizational authority, Certificate of Incumbency (collectively, the "Operator's Organizational Documents");
- B. The FHA Commitment and extensions and assignment(s) thereof, if any;
- C. The Commitment issued by the Mortgagee and accepted by the Mortgagor, dated as of October 29, 2009 (the "Loan Commitment");
- D. The Regulatory Agreement (Form No. 92466-GP) and Rider by and between HUD and the Mortgagor and the Operator, dated as of October 22, 2009 (the "Regulatory Agreement");

E. The Leasehold Deed of Trust Note (Form No. 4189-D) in the original principal amount of Twenty Three Million One Hundred Sixty Five Thousand Dollars (\$23,165,000) by Mortgagor in favor of Mortgagee, dated as of October 22, 2009 (the "Note");

F. The Leasehold Deed of Trust With Assignment of Rents executed by Mortgagor for the benefit of Mortgagee, granting a security interest in the Property, dated as of October 29, 2009 (the "Mortgage");

G. Two Uniform Commercial Code Financing Statements executed by the Mortgagor as debtor and naming the Mortgagee and HUD as secured parties or as their interests may appear, to be filed in Grant County Auditor's Office and the Washington Secretary of State (the "Filing Offices"), upon the closing of the loan (the "Financing Statements");

H. The Security Agreement by and between Mortgagor and the Mortgagee, granting a security interest under the Uniform Commercial Code, in those items of personalty described therein, dated as of October 29, 2009, (the "Security Agreement");

I. The Site Lease executed by Coulee Medical Center, as lessor, and Mortgagor, as lessee, recorded in the land records of Grant County, Washington, dated as of October 1, 2009, (the "Ground Lease"), and the Operating Lease between Mortgagor, as lessor, and Operator, as lessee, dated as of October 1, 2009, ("Operating Lease") and the Equipment Rental Agreement between Mortgagor, as lessor, and Operator, as lessee, dated as of October 29, 2009 ("Equipment Rental Agreement");

J. The Building Loan Agreement (2441) executed by Mortgagee and Mortgagor, dated as of October 29, 2009, (the "Building Loan Agreement").

K. The Construction Contract executed by Graham Construction (the "General Contractor") and Mortgagor, dated as of June 18, 2009, (the "Construction Contract").

L. The Mortgagee's Certificate (2434), executed by the Mortgagee, dated as of October 29, 2009.

M. The Mortgagor's Certificate (2433), executed by the Mortgagor, dated as of October 29, 2009.

N. The Agreement and Certification (3305), executed by the Mortgagor, dated as of October 29, 2009.

O. INTENTIONALLY OMITTED.

P. The Mortgagor's and Operator's Opinion Certification, pertaining to factual matters relied on by us in rendering this opinion, executed by the Mortgagor, dated as of October 26, 2009, a copy of which is attached hereto as Exhibit "A" (the "Certification of Mortgagor and Operator").

Q. A search, dated October 6, 2009, conducted by us of Grant County, Washington and the Washington State Department of Licensing financing records of the county and Property Jurisdiction and Organizational Jurisdiction (the "UCC Search") for the Mortgagor and Operator.

R. INTENTIONALLY OMITTED.

S. The Title Insurance Policy issued by First American Title Insurance Company, together with all endorsements, and naming HUD and the Mortgagee as insureds, as their interests may appear, dated October 29, 2009, (the "Title Policy").

T. The following documents evidencing zoning compliance: letter from the City of Grand Coulee, Washington reflecting an Urban Commercial 1 or Public Facility zoning classification (the "Zoning Certificate").

U. The building permit(s) issued on July 20, 2009 by the City of Grand Coulee Building Department (the "Building Permit").

V. The following permits, License No. (Credential Number) HAC.FS.00000150 to operate an acute care hospital which is required for the operation of the Project issued by the State of Washington Department of Health on January 1, 2008 and expiring on December 31, 2010, and Certificate of Need No. 1393 issued by the Washington State Department of Health dated as of February 24, 2009, which is required for the operation of the Project ("Other Permits").

W. The Surveyor's Plat prepared by Huibregtse, Louman Associates, Inc., dated July 30, 2008, last revised on October 6, 2009, (the "Survey").

X. The Surveyor's Report (2457), executed by Eric T. Herzog, dated October 6, 2009, (the "Surveyor's Report").

Y. INTENTIONALLY OMITTED.

Z. The Performance Bond (2452) and the Payment Bond (2452-A) issued by Travelers Casualty and Surety Company (Surety) to secure payment and performance of Graham

Construction (General Contractor) and running to Red Mortgage Capital, Inc. and the United States Department of Housing and Urban Development, their successors and assigns dated as of July 23, 2009, as assigned to Mortgagee as of October 29, 2009 (the "Assurance of Completion").

AA. The Owner-Architect Agreement (AIA B151) executed by KDF Architecture, Inc. and Operator dated November 1, 2006, as amended November 4, 2008 (the "Owner-Architect Agreement").

BB. INTENTIONALLY OMITTED.

CC. The following documents assuring water, electricity, sewer, gas, heat or other utility services (the "Assurance of Utility Services"): Letter dated as of September 16, 2008 from Matt Neilan, Service Expediter for Grant County Public Utility District, committing to provide electric service for the Property; letter dated as of June 9, 2009 from Charise Addicks, Senior Account Executive for Qwest Communications and letter dated July 8, 2009 from Jon Cooke, Technical Operation Manager for Apex Communication Service, Inc. committing to provide communication service for the Property; letter dated as of July 9, 2009 from Chris Christopherson, Mayor Pro Tempore, City of Grand Coulee, committing to provide water and sewer services for the Property. There is no natural gas service to the Property.

DD. INTENTIONALLY OMITTED.

EE. INTENTIONALLY OMITTED.

FF. INTENTIONALLY OMITTED.

GG. The Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements (2482) executed by Graham Construction, dated July 23, 2009, (the "Contractor's Prevailing Wage Certificate").

HH. INTENTIONALLY OMITTED.

II. INTENTIONALLY OMITTED.

JJ. INTENTIONALLY OMITTED.

KK. INTENTIONALLY OMITTED.

LL. The Good Standing Certificate of Mortgagor issued by the Office of the Secretary of State of the State of Washington, dated October 12, 2009, (the "Good Standing Certificate").

MM. The certificate executed by KDF Architecture, Inc., dated as of July 9, 2009 (the "Certificate").

NN. A search conducted by us dated October 12, 2009 of the public records of the federal District Court and State and local courts in: (i) the jurisdiction where the Property is located; and (ii) the jurisdiction(s) where the Mortgagor and Operator are located and do business (the "Docket Search").

OO. The Bill of Sale between the Operator and Mortgagor, dated October 29, 2009 for personal property and supplies transferred from the Operator to the Mortgagor.

PP. The Mortgage Reserve Fund Agreement dated as of October 29, 2009, executed by Mortgagor and HUD;

QQ. The Mortgage Reserve Trust Fund Agreement dated as of October 29, 2009, executed by Mortgagor, Mortgagee and HUD;

RR. The Operating Account Reserve Fund Agreement dated October 29, 2009, executed by Mortgagor and HUD.

SS. The Operating Account Reserve Fund Agreement dated as of October 29, 2009 executed by Mortgagor, Mortgagee and HUD

TT. Mortgagor's Authorizing Resolutions: Coulee Medical Foundation Resolution No. 101 dated November 13, 2008, a Resolution dated September 16, 2009, Bond Resolution No. 104 dated October 6, 2009, and Resolution No. 103 dated September 30, 2009, (collectively "Mortgagor's Authorizing Resolutions");

UU. Operator's Authorizing Resolutions: Coulee Medical Center Resolution No. 580 dated May 28, 2009, Resolution No. 633 dated September 16, 2009, Resolution No. 639 dated September 30, 2009 and Resolution No. 640 dated October 21, 2009, (collectively "Operator's Authorizing Resolutions"); and

VV. HUD Certificates executed by the Mortgagor and Operator dated as of October 29, 2009.

WW. The following documents executed or delivered in connection with the financing of the loan with proceeds of Build America Bonds (the "Bond Documents").

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|-------------------------------------|------------------------|
| 1) Indenture; | 5) Guaranty Agreement; |
| 2) Financing Agreement; | 6) GNMA Securities; |
| 3) Bond Purchase Agreement; | 7) Operating Lease; |
| 4) Continuing Disclosure Agreement; | 8) Site Lease. |

The documents listed in B through I above are referred to collectively as the "Loan Documents." The documents listed in J through VV are referred to collectively as the "Supporting Documents." The documents listed in A through VV are referred to collectively as the "Documents."

In basing the several opinions set forth in this document on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Mortgagor and Operator, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, the words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been involved in representing the Mortgagor and Operator in any capacity including, but not limited to, in connection with this Loan. We have no reason to believe that any of the documents on which we have relied contain matters which, or the assumptions contained herein, are untrue, contrary to known facts, or unreasonable.

In reaching the opinions set forth below, we have assumed, and to our knowledge there are no facts inconsistent with, the following:

(a) Each of the parties to the Documents, other than the Mortgagor and Operator (and any person executing any of the Documents on behalf of the Mortgagor and Operator), has duly and validly executed and delivered each such instrument, document, and agreement to be executed in connection with the Loan to which such party is a signatory, and such party's obligations set forth in the Documents are its legal, valid, and binding obligations, enforceable in accordance with their respective terms.

(b) Each person executing any of the Documents, other than the Mortgagor and Operator (and any person executing any of the Documents on behalf of the Mortgagor and Operator), whether individually or on behalf of an entity, is duly authorized to do so.

(c) Each natural person executing any of the Documents is legally competent to do so.

(d) All signatures of parties other than the Mortgagor and Operator (and any person executing any of the Documents on behalf of Mortgagor and Operator) are genuine.

(e) All Documents which were submitted to us as originals are authentic; all Documents which were submitted to us as certified or photostatic copies conform to the original document, and all public records reviewed are accurate and complete.

(f) All applicable Documents have been duly filed, indexed, and recorded among the appropriate official records and all fees, charges, and taxes due and owing as of this date have been paid.

(g) The parties to the Documents and their successors and/or assigns will: (i) act in good faith and in a commercially reasonable manner in the exercise of any rights or enforcement of any remedies under the Documents; (ii) not engage in any conduct in the exercise of such rights or enforcement of such remedies that would constitute other than fair and impartial dealing; and (iii) comply with all requirements of applicable procedural and substantive law in exercising any rights or enforcing any remedies under the Documents.

(h) The exercise of any rights or enforcement of any remedies under the Documents would not be unconscionable, result in a breach of the peace, or otherwise be contrary to public policy.

(i) The Mortgagor has title or other interest in each item of (i) real and (ii) tangible and intangible personal property ("Personalty") comprising the Property in which a security interest is purported to be granted under the Loan Documents and, where Personalty is to be acquired after the date hereof, a security interest is created under the after-acquired property clause of the Security Agreement.

In rendering this opinion we also have assumed that the Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and the obligations of the parties thereunder. We also have assumed that the terms and the conditions of the Loan as stated in the Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Documents. After reasonable inquiry of the Mortgagor and Operator, we have no knowledge of any facts or information that would lead us to believe that the assumptions in this paragraph are not justified.

In rendering our opinion in paragraph 13, we also have assumed that: (i) all Personalty in which a security interest is created under the Documents (other than accounts or goods of a type normally used in more than one jurisdiction) is located or will be located at the Property and (ii)

