

NEW ISSUE

Book-Entry Only

RATING: Not Rated

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, based on existing statutes, regulations, court decisions and administrative rulings, and assuming compliance with the tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, based on existing law, for so long as interest on the Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.

\$103,245,000*

**THE TOWN OF HUNTINGTON
LOCAL DEVELOPMENT CORPORATION**

**REVENUE BONDS (GURWIN INDEPENDENT HOUSING, INC. /
FOUNTAINGATE GARDENS PROJECT), SERIES 2021**



consisting of:

\$39,745,000*

Series 2021A Bonds

\$32,500,000*

Series 2021B

Entrance Fee Principal Redemption BondsSM

\$31,000,000*

Series 2021C

Entrance Fee Principal Redemption BondsSM

Dated: Date of Delivery

Due: July 1, as shown on the inside cover hereof

The above referenced bonds (collectively, the "Series 2021 Bonds") are being issued by The Town of Huntington Local Development Corporation (the "Issuer") pursuant to an Indenture of Trust, dated as of March 1, 2021, by and between the Issuer and U.S. Bank National Association, as bond trustee. The proceeds of the Series 2021 Bonds are being loaned to Gurwin Independent Housing, Inc. d/b/a FountainGate Gardens (the "Corporation") pursuant to a Loan Agreement, dated as of March 1, 2021, by and between the Issuer and the Corporation, for the purpose of providing funds to be used, along with available monies, to (1) finance and/or refinance the construction, equipping, and furnishing of a 129-unit senior independent living community and commons building to be known as FountainGate Gardens, (2) fund a debt service reserve fund, (3) fund initial working capital needs and capitalized interest, and (4) pay certain costs of issuance of the Series 2021 Bonds. The obligation of the Corporation to make the payments under the Loan Agreement is secured by obligations issued under the Master Trust Indenture dated as of March 1, 2021, by and between the Corporation as the sole member of the obligated group thereunder, and U.S. Bank National Association, in its capacity as master trustee. The sources of payment of, and security for, the Series 2021 Bonds are as described in this Official Statement.

The Series 2021 Bonds will bear interest from the date of delivery, payable on each January 1 and July 1, commencing July 1, 2021. The Series 2021 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE SERIES 2021 BONDS" herein. The Series 2021 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2021 Bonds. Individual purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form and will be made in denominations of \$5,000 or any integral thereof. Purchasers of beneficial interests in the Series 2021 Bonds will not receive certificates representing interests in the Series 2021 Bonds that they purchase. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2021 Bonds, references herein to the Bondholders or registered owners shall mean Cede & Co., rather than the beneficial owners of the Series 2021 Bonds. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of principal and premium, if any, and interest on the Series 2021 Bonds shall be made to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants and indirect participants.

NEITHER THE ISSUER, THE TOWN OF HUNTINGTON, THE STATE OF NEW YORK NOR ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS EXCEPT FROM THE SOURCES DESCRIBED HEREIN, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE TOWN OF HUNTINGTON, THE STATE OF NEW YORK OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES 2021 BONDS. THE ISSUER HAS NO TAXING POWER.

THE SERIES 2021 BONDS ARE NOT RATED. AN INVESTMENT IN THE SERIES 2021 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE BONDHOLDER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, BEFORE MAKING AN INVESTMENT DECISION TO PURCHASE SERIES 2021 BONDS. SPECIAL REFERENCE IS MADE TO THE SECTIONS "SECURITY FOR THE SERIES 2021 BONDS" AND "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2021 BONDS.

The Series 2021 Bonds are offered when, as and if issued and received by Herbert J. Sims & Co., Inc. (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Harris Beach PLLC, Uniondale, New York, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by its counsel, Harris Beach PLLC; for the Corporation by its counsel, Ruskin Moscou Faltischek PC, Uniondale, New York; and for the Underwriter by its counsel, Norton Rose Fulbright US LLP, New York, New York. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of DTC on or about March 17, 2021.



Dated: March , 2021

* Preliminary, subject to change

\$103,245,000*
THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS (GURWIN INDEPENDENT HOUSING, INC./FOUNTAINGATE GARDENS PROJECT),
SERIES 2021

\$39,745,000* SERIES 2021A BONDS

TERM BONDS

<u>Due July 1,</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP⁽¹⁾ (Base CUSIP)</u>
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\$32,500,000* SERIES 2021B ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

__ % Term Bonds due July 1, 20__, Yield ____, CUSIP No.⁽¹⁾ _____

\$31,000,000* SERIES 2021C ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

__ % Term Bonds due July 1, 20__, Yield ____, CUSIP No.⁽¹⁾ _____

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* Preliminary, subject to change

Satellite Map



The following renderings are preliminary and subject to change.

Aerial Rendering



Lobby Rendering



Formal Dining Rendering



Bistro Rendering



Apartment Interior Rendering



Site Plan Rendering



Conceptual Rendering
• Subject to change.

SUMMARY STATEMENT

The information set forth in this short statement is subject in all respects to more complete information set forth elsewhere in this Official Statement, which should be read in its entirety including the assumptions, methodology and rationale underlying Management's forecast and the Feasibility Study appearing as Appendix B to this Official Statement. **The Feasibility Study included herein as Appendix B should be read in its entirety.**

This Official Statement was prepared in connection with the initial offering of the Series 2021 Bonds described below. The offering of Series 2021 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use it without this entire Official Statement. For the definitions of certain words and terms used in this Summary Statement, see Appendix C - "FORMS OF PRINCIPAL DOCUMENTS" hereto.

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION (the "Issuer"), a local development corporation in the State of New York, established in accordance with Section 1411 of the New York Not-For-Profit Corporation Law (the "Act"), for the purpose of promoting the economic welfare of the inhabitants of the Town of Huntington and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration. See "THE ISSUER" herein.

THE SERIES 2021 BONDS. The Issuer proposes to issue \$103,245,000[†] aggregate principal amount of its Revenue Bonds (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021 (the "Series 2021 Bonds"), consisting of (i) \$39,745,000* Series 2021A Bonds (the "Series 2021A Bonds"), (ii) \$32,500,000* Series 2021B Entrance Fee Principal Redemption Bonds (the "Series 2021B Bonds") and (iii) \$31,000,000* Series 2021C Entrance Fee Principal Redemption Bonds (the "Series 2021C Bonds"). The Series 2021 Bonds will be dated the date of delivery, which is expected on or about March 17, 2021 (the "Closing Date").

The Series 2021 Bonds shall be issued by the Issuer pursuant to the Act, a resolution of the Issuer adopted by the governing body of the Issuer on September 15, 2020, and an Indenture of Trust, dated as of March 1, 2021 (the "Bond Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "the Bond Trustee"). The Series 2021 Bonds are being issued to provide (1) financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as "Fountaingate Gardens," as more particularly described in this Official Statement, (2) funding a debt service reserve fund with respect to the Series 2021 Bonds; (3) funding initial working capital needs directly related to the Facility and funding capitalized interest with respect to the Series 2021 Bonds; and (4) paying certain costs of issuing the Series 2021 Bonds (collectively, the "Project"). See "THE SERIES 2021 BONDS" herein.

GURWIN INDEPENDENT HOUSING, INC. D/B/A FOUNTAINGATE GARDENS (the "Corporation") is a New York not-for-profit corporation incorporated in 2014. The Corporation was created to develop, construct and own a senior independent living community consisting of independent living apartments, common areas and a range of services and amenities ("Fountaingate Gardens" or the "Facility"), which will be located on 10.47 acres of land owned by the Corporation in Commack, NY. The Corporation has been determined by the Internal Revenue Service to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). See "APPENDIX A - INFORMATION CONCERNING THE CORPORATION

[†] Preliminary, subject to change

AND THE FACILITY" and "APPENDIX B - FINANCIAL FEASIBILITY STUDY" hereto for further information. The Feasibility Study included herein as Appendix B should be read in its entirety.

THE GURWIN HEALTHCARE SYSTEM The Gurwin organization has evolved over a 30 year history that was initiated with the development of the Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island Inc. (d/b/a Gurwin Jewish Nursing & Rehabilitation Center) and is committed to providing quality health care and services to Long Island residents. In 2018, The Gurwin Healthcare System, Inc. (the "System") was created to coordinate activities of each affiliated entity on an approximately 24-acre campus including:

- Gurwin Jewish Nursing and Rehabilitation Center ("Gurwin Nursing"), a 460-bed skilled nursing and rehabilitation center providing short and long term care, a memory care unit, ventilator care, infusion center, adult day care and dialysis center;
- Gurwin Jewish-Fay J. Lindner Residences ("Lindner Residences"), an assisted community with approximately 200 assisted living apartments including a memory care unit.

To further the System's services and geographic service area, a home care agency is located in Farmingdale, New York and an adult day care program is provided at Gurwin Nursing. In addition, the System has acquired Island Nursing and Rehab Center in Holtsville, New York. It is not expected that Island Nursing and Rehab Center will provide any services to residents of the Facility.

The Corporation has entered into a Shared Service Agreement dated as of September 1, 2020 with Gurwin Nursing (the "Shared Services Agreement") to provide all management services necessary to operate the Facility, including but not limited to financial management, marketing, recordkeeping, purchasing, information technology, recruitment of personnel and supervision of the day-to-day operations and programs of the Facility. The Shared Services Agreement will have a term of five years, commencing on the date on which the Corporation receives the certificate of occupancy for the Facility.

The Corporation has entered into an Agreement for Assisted Living Services dated as of March 24, 2020 with Lindner Residences and a separate Agreement for Skilled Nursing Services dated as of March 24, 2020 with Gurwin Nursing (collectively, the "Health Care Service Agreements") to provide for assisted living care and skilled nursing and rehabilitation care, respectively, to residents of the Facility.

THE GURWIN JEWISH HEALTHCARE FOUNDATION. The Gurwin Jewish Geriatric Foundation, Inc. (d/b/a The Gurwin Jewish Healthcare Foundation, the "Foundation") has provided the Corporation with a cash donation of \$4 million, which has been used by the Corporation as an equity contribution to the Project. In addition, pursuant to a loan agreement dated as of September 2, 2020, as amended, by and between the Foundation, as lender, and the Corporation, as borrower, the Foundation has agreed to loan the Corporation up to \$16 million for pre-finance development costs associated with the Project (the "Pre-Finance Development Loan"). As of February 12, 2021, the Foundation has advanced approximately \$15.7 million of the Pre-Finance Development Loan for costs related to planning, design, marketing, permits and approvals, consulting, financing, and initial site development. It is anticipated that a portion of the Pre-Finance Development Loan in the amount of approximately \$11.7 million will be repaid from the Series 2021 Bond proceeds and a \$4 million portion will remain outstanding until 2025 as Initial Subordinated Indebtedness of the Corporation (as defined in the Master Indenture). Repayment of the Initial Subordinate Indebtedness is contingent upon satisfaction of certain conditions, namely the repayment of the Series 2021B and Series 2021C Bonds.

Concurrently with the issuance of the Series 2021 Bonds, the Foundation will enter into a Liquidity Support Agreement (as defined below) and Resident Entrance Fee Guaranty Agreement (as defined below)

for the benefit of the Corporation. See “SECURITY FOR THE SERIES 2021 BONDS – Liquidity Support Agreement and – Resident Entrance Fee Guaranty Agreement” herein.

The Facility will be located on land owned by the Corporation and adjacent to the Lindner Residences. The land, which has an appraised value \$4,675,000, was donated to the Corporation by the Foundation.

**The Gurwin Jewish Healthcare Foundation, Inc.
Summary Financial Contributions and Support**

Land		\$4,675,000
Cash Donation		4,000,000
Pre-Finance Development Loan	\$15,700,000	
Less: Repaid with Proceeds	(11,700,000)	
Net: Subordinated Loan		\$4,000,000
Resident Entrance Fee Guaranty		2,850,000
Liquidity Support ⁽¹⁾		10,000,000
Total Contributions and Support		\$25,525,000

⁽¹⁾ \$5,000,000 cash deposit plus \$5,000,000 future commitment

MARKETING AND PRESALES. In July 2017, the Corporation began collecting deposits for reservations of Independent Living Units equal to 5% or 10% of the Entrance Fee (the “Reservation Deposit”). On a limited basis for a period of time during 2018, 5% deposits were accepted for the reservation. As of February 12, 2021, 71 of the 129 Independent Living units, representing approximately 55% of the total Independent Living Units, were reserved by prospective residents who have executed a reservation agreement (the “Reservation Agreement”), provided a self-disclosure of his or her health and finances and made a Reservation Deposit on the selected Independent Living Unit. Of the 71 depositors, 67 were 10% Depositors and four were 5% Depositors. See “APPENDIX A - INFORMATION CONCERNING THE CORPORATION AND THE FACILITY - Marketing Process and Current Status” and “APPENDIX B – FEASIBILITY STUDY” hereto.

The Residency Agreement may be canceled by the Corporation for just cause as such term is defined in the Residency Agreement, including failure to pay the Entrance Fee or Monthly Fee, or by the resident with 30 days prior written notice to the other party. The remaining portion of the Entrance Fee is due on or before the occupancy date of the Independent Living Unit in which the depositor becomes a resident. Upon Occupancy, all Residents are expected to pay an ongoing Monthly Fee.

SECURITY FOR THE SERIES 2021 BONDS. As security for the Series 2021 Bonds, pursuant to the Bond Indenture, the Issuer will assign its rights under the Loan Agreement to the Bond Trustee for the benefit of the holders of the Series 2021 Bonds, except the right to receive payment of its fees and expenses, to receive indemnity against claims, to receive notices and to grant consents or waivers.

The obligation of the Corporation to repay the loan of the proceeds of the Series 2021 Bonds from the Issuer will be secured by certain obligations (the “Series 2021 Obligations”) issued under and entitled to the benefit and security of a Master Trust Indenture dated as of March 1, 2021 (the “Original Master Indenture”), between the Corporation, as the sole member of the obligated group described therein (“Obligated Group”) and as the Obligated Group Agent (as defined therein), and U.S. Bank National Association, in its role as the Master Trustee (the “Master Trustee”), as supplemented from time to time, including by the Supplemental Master Indentures No. 1, No. 2, and No. 3, each dated as of March 1, 2021

(together, the “Supplemental Indentures” and together with the Original Master Indenture, the “Master Indenture”), between the Obligated Group and the Master Trustee. See “SECURITY FOR THE SERIES 2021 BONDS – The Master Indenture and the Mortgages” herein. See also “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto. The Series 2021 Obligations will be assigned by the Issuer to the Bond Trustee pursuant to the Bond Indenture as security for each of the corresponding series of bonds.

The Series 2021 Obligations and all Obligations issued pursuant to the Master Indenture will be secured by (i) the lien created by a Building Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “Building Loan Mortgage”), by the Corporation in favor of the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Building Loan Mortgage”), from the Issuer to the Master Trustee, (ii) the lien created by a Project Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “Project Loan Mortgage”), by the Corporation in favor of the Issuer, which Project Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Project Loan Mortgage”), and (iii) a pledge of Gross Revenues of the Obligated Group Members under the Master Indenture. To finance a portion of the costs of the Facility, the proceeds secured by the Building Loan Mortgage (the “Building Loan Proceeds”) will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated as of March 1, 2021 among the Corporation, the Issuer and the Master Trustee (the “Building Loan Agreement”) to pay for some or all of the direct cost of construction or renovation of the Facility (collectively, the “Construction Costs”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage.

The Series 2021 Bonds will be further secured by (i) an Assignment of Development Consulting Agreement dated the Closing Date (the “Assignment of Development Consulting Agreement”), from the Corporation to the Issuer and the Master Trustee, (ii) an Assignment of Architect Agreement dated the Closing Date (the “Assignment of Architect Agreement”), from the Corporation to the Issuer and the Master Trustee, and (iii) an Assignment of Guaranteed Maximum Price Construction Agreement, dated the Closing Date (the “Assignment of Guaranteed Maximum Price Construction Agreement”), from the Corporation to the Issuer and the Master Trustee.

The Corporation is the only current member of the Obligated Group under the Master Indenture, but additional Obligated Group Members may be admitted to the Obligated Group. See “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto. The Series 2021 Obligations will constitute joint and several obligations of the Obligated Group Members to pay amounts sufficient to pay principal, premium, if any, and interest on the Series 2021 Bonds. The Series 2021 Obligations will be secured on a parity basis with Obligations hereafter issued under the Master Indenture, except Subordinated Indebtedness, by a security interest in the Gross Revenues of the Obligated Group (including Entrance Fees and accounts receivable) and the funds established under the Master Indenture. If an Event of Default under the Master Indenture occurs due to failure to pay any debt service on any Obligations when due and continuing, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within seven (7) days the Obligated Group Agent will (i) engage a Consultant (which Consultant is not objected to by the Master Trustee) to review the operating budget of the Obligated Group and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant’s approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Agent and the Master

Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose, until no payment default under the Master Indenture then exists. See "SECURITY FOR THE SERIES 2021 BONDS." See also "CERTAIN BONDHOLDERS' RISKS – Certain Matters Relating to Enforceability of the Master Indenture."

DEBT SERVICE RESERVE FUND. A Debt Service Reserve Fund and within such Fund, an account for each series of the Bonds will be established under the Bond Indenture. An Account of the Debt Service Reserve Fund will be funded upon the issuance of the Series 2021 Bonds in connection with each Series of the series 2021 Bonds, in an amount equal to the maximum annual debt service requirement on the Series 2021A Bonds and one year of interest on the Series 2021B Bonds and the Series 2021C Bonds. Each Debt Service Reserve Fund Account will be held for the benefit of the Bondholders of the applicable Series of the Series 2021 Bonds and is available for payment of the principal of and interest on such corresponding Series of the Series 2021 Bonds if payments by the Corporation are insufficient therefor. See "SECURITY FOR THE SERIES 2021 BONDS - Debt Service Reserve Fund" herein and Appendix C - "FORMS OF PRINCIPAL DOCUMENTS" for a further description of the Debt Service Reserve Fund.

CUMULATIVE CASH LOSS COVENANT. The Corporation covenants under the Loan Agreement to maintain a maximum Cumulative Cash Loss (as defined in Appendix C hereto) for each fiscal quarter commencing with the first full fiscal quarter following the issuance of the Certificate of Occupancy through Stabilization, of no greater than certain specified amounts set forth in the Loan Agreement. See "SECURITY FOR THE SERIES 2021 BONDS - Cumulative Cash Loss Covenant" herein and Appendix C - "FORMS OF PRINCIPAL DOCUMENTS" for a further description, including a description of the actions required to be taken if such covenant is not met.

DEBT SERVICE COVERAGE RATIO COVENANT. The Obligated Group agrees that it will calculate the Historical Debt Service Coverage Ratio of the Obligated Group (i) as of the end of each fiscal quarter on a rolling 12-month basis, commencing with the earlier of (A) the first full fiscal quarter following Stabilization (as defined in Appendix C hereto) or (B) the fiscal quarter ending June 30, 2025, and (ii) as of the end of each Fiscal Year, based on audited financial statements, commencing with the first Fiscal Year during which the Debt Service Coverage Ratio is required to be computed for each fiscal quarter. If the Debt Service Coverage Ratio is less than 1.20, the Corporation is required to prepare a report and plan and, under the circumstances described in the Master Indenture, to retain a Consultant to prepare a report and plan, detailing the reasons for such deficiency and the proposed actions to increase the Debt Service Coverage Ratio to the required level on the earliest practicable date. See "SECURITY FOR THE SERIES 2021 BONDS - Debt Service Coverage Ratio Covenant" herein and Appendix C - "FORMS OF PRINCIPAL DOCUMENTS" for a further description of the Debt Service Coverage Ratio covenant, including a description of the actions required to be taken if such covenant is not met.

LIQUIDITY COVENANT. The Obligated Group covenants that it will calculate the Days' Cash on Hand of the Obligated Group semiannually as of June 30 and December 31, commencing with the first semiannual testing date that follows Stabilization. The Corporation is required to conduct its business so that on each semiannual testing date the Corporation shall have no less than 200 Days' Cash on Hand (the "Days' Cash on Hand Requirement"). See "SECURITY FOR THE SERIES 2021 BONDS - Liquidity Covenant" herein and Appendix C - "FORMS OF PRINCIPAL DOCUMENTS" for a further description, including a description of the actions required to be taken if such covenant is not met.

MARKETING AND OCCUPANCY REQUIREMENTS. The Loan Agreement requires that the Corporation use its best efforts to execute Residency Agreements and collect deposits payable upon execution of the Residency Agreements so that the percentage of the total Independent Living Units which are the subject of a Residency Agreement with a 10% deposit (except certain 5% deposits previously obtained), including occupied Independent Living Units, shall be in compliance with certain Marketing

requirements. The Corporation also covenants that for each fiscal quarter commencing with the first full fiscal quarter following Initial Occupancy Date, and ending with the first full fiscal quarter following Stabilization, the Corporation will use its best efforts to maintain the number and percentage of Occupied Independent Living Units execute Residency Agreements and collect Entrance Fees so that the percentage of the total of number of all Independent Living Units in the Facility for which a Residency Agreement has been executed and all related Entrance Fees and Monthly Fees have been paid shall be in compliance with certain Occupancy Requirements. See "SECURITY FOR THE SERIES 2021 BONDS - Marketing Requirements" and "- Occupancy Requirements" for a further description of the Marketing and Occupancy Requirements, including a description of the actions required to be taken if such covenants are not met.

LIQUIDITY SUPPORT AGREEMENT. Pursuant to a Liquidity Support Agreement dated the Closing Date, by and between the Foundation, as Liquidity Provider, the Corporation, the Master Trustee and the Bond Trustee (the "Support Agreement"), the Foundation agrees to deposit into a Liquidity Support Account held by the Master Trustee (i) initially an amount equal to \$5,000,000 and (ii) thereafter (x) upon a full draw of funds from the Liquidity Support Account, an additional amount equal to \$5,000,000 or (y) in the event the Liquidity Provider's unrestricted cash and investments decrease to \$5,000,000 or less, an additional amount equal to \$5,000,000, and (iii) such funds that are transferred to the Liquidity Support Account by operation of the Resident Entrance Fee Guaranty Agreement from the Guaranty Account (as such term is defined in the Resident Entrance Fee Guaranty Agreement), provided, however, that all of such amounts are subject to being released pursuant to the Liquidity Support Agreement (the "Support Obligation"). The Liquidity Provider, at its discretion, will have the ability to substitute a Letter of Credit, if not initially provided, for all or a portion of the amounts in the Liquidity Support Account. The letter of credit must be issued by an entity whose obligations are rated in one of the two highest rating categories by S&P Global Ratings or Moody's Investors Service, with an expiration date of not earlier than December 31, 2026 ("Letter of Credit").

Funds held in the Liquidity Support Account may be used if there are insufficient funds on deposit in the Working Capital Fund or Operating Reserve Fund, or to pay the principal and interest on the Bonds coming due. The Corporation's obligation to repay the Liquidity Provider for any draws on the Support Obligation will constitute Subordinated Indebtedness of the Corporation (as defined in the Master Indenture) and may not be repaid until satisfaction of the following conditions: (i) repayment of the Series 2021B Bonds and Series 2021C Bonds, (ii) Occupancy of 85% for four consecutive test periods, (iii) certification of compliance with all covenants as specified in the Support Agreement, (iv) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement, and (v) there is no deficiency in any Account of the Debt Service Reserve Fund with respect to the Series 2021 Bonds. The Support Agreement will remain in effect until (i) the Series 2021B Bonds and the Series 2021C are no longer Outstanding, (ii) the percentage of Occupied Independent Living Units will equal 85% or more for four consecutive Occupancy Quarters, (iii) certification of compliance with certain covenants of the Loan Agreement and Master Indenture and (iv) no Event of Default has occurred or continuing under the Master Indenture, Bond Indenture and Loan Agreement. See "SECURITY FOR THE SERIES 2021 BONDS – Liquidity Support Agreement" herein.

RESIDENT ENTRANCE FEE GUARANTY AGREEMENT. Pursuant to a Resident Entrance Fee Guaranty Agreement dated the Closing Date, by and between the Foundation (the "Guarantor"), the Corporation, the Master Trustee and the Bond Trustee (the "Guaranty Agreement"), providing for the contribution of funds in the event the Occupancy Requirements is not met on any Test Date. The Foundation will provide a letter of credit or cash deposit to be held in a Guaranty Account with the Master Trustee in an amount equal to \$2,850,000 (the "Guaranty Obligation"). The Corporation's obligation to repay the Foundation for any draws on the Guaranty Obligation will constitute Subordinated Indebtedness of the Corporation (as defined in the Master Indenture) and may not be repaid until satisfaction of the following conditions: (i) repayment of the Series 2021B Bonds and Series 2021C Bonds, (ii) certification

of compliance with all covenants as specified in the Guaranty Agreement, and (iii) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement. The Guaranty Agreement will remain in effect until the earliest of the date when (i) (a) the Guaranty Obligation has been reduced to zero (b) the Corporation has complied with the Marketing Requirements covenant as set forth in the Loan Agreement as of the four immediately preceding consecutive Testing Dates, and (c) no Event of Default has occurred or continuing under the Master Indenture, Bond Indenture and Loan Agreement; (ii) the Guaranty Obligation has been fully satisfied such that the Guarantor has no further obligation thereunder to transfer funds to the Guaranty Account; (iii) the date all of the Series 2021 Bonds are paid in full or are deemed to be paid in full in accordance with the Bond Indenture or (iv) the Guarantor becomes a Member of the Obligated Group. Upon the reduction of the Guaranty Obligation to zero dollars (\$0) all remaining funds or the letter of credit released under the Guaranty Agreement shall be transferred by the Master Trustee and deposited by the Master Trustee to the Liquidity Support Account (as such term is defined on the Liquidity Support Agreement) held by the Master Trustee pursuant to the Liquidity Support Agreement. See "SECURITY FOR THE SERIES 2021 BONDS – Resident Entrance Fee Guaranty Agreement " herein.

MARKETING SERVICES AGREEMENT. The Corporation has entered into a marketing services agreement (the "Marketing Services Agreement") with Retirement DYNAMICS, Inc. (the "Marketing Consultant") to provide marketing and sales consulting services. As compensation for services rendered pursuant to the Marketing Services Agreement, the Corporation is expected to pay the Marketing Consultant a marketing fee (the "Marketing Fee"). See Appendix A – "INFORMATION CONCERNING THE CORPORATION AND THE FACILITY - Marketing of Fountaingate Gardens."

CONSTRUCTION MONITOR. Alcala Construction Management, Inc. has been engaged to (i) prepare a preconstruction document review report which will evaluate the sufficiency of the documents related to design, planning, construction and budget, and (ii) monitor construction progress on a monthly basis, including site visits to meet with the construction manager, architect and Development Consultant, and prepare monthly reports evaluating progress, payment applications, budget status, change orders and construction quality. The monthly reports will be posted by the Corporation as part of the Reporting Requirements. See Appendix A – "INFORMATION CONCERNING THE CORPORATION AND THE FACILITY – Construction Monitor."

FINANCIAL FEASIBILITY STUDY. Dixon Hughes Goodman LLP, independent auditors, has prepared a Financial Feasibility Study dated February 12, 2021(the "Feasibility Study") which is included in Appendix B hereto. The Feasibility Study includes the financial forecast by the Corporation's management ("Management") for the five years ending December 31, 2025. As stated in the Feasibility Study, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The financial forecast is based on Management's assumptions that there will not be any long-term impact to the Corporation as a result of COVID-19. The Feasibility Study does not assume that the Liquidity Support Agreement or the Resident Entrance Fee Guaranty Agreement will be drawn down. The Feasibility Study should be read in its entirety, including all notes and assumptions set forth therein.

The tables on the following page reflect the forecasted Debt Service Coverage Ratio and the forecasted Days Cash on Hand for the year ending December 31, 2025. The tables below have been extracted from the Feasibility Study included in Appendix B hereto.

Long-Term Debt Service Coverage Ratio	2025
Change in net assets (deficit)	\$ 339
Deduct:	
Entrance fee amortization	(4,250)
Add:	
Depreciation	2,512
Amortization of deferred marketing costs	114
Interest expense	2,416
Entrance fees received - attrition (non-refundable)	2,734
Entrance fees received - attrition (refundable)	2,580
Entrance fees refunded	(1,807)
Income Available for Debt Service	\$ 4,638
Maximum Annual Debt Service ^(a)	\$ 2,850
Long Term Debt Service Coverage Ratio	1.63 x

Days Cash on Hand	2025
Cash and investments	\$ 723
Investments	10,458
Operating Reserve Fund	4,143
Cash on hand	\$ 15,324
Total expenses	13,885
Less:	
Depreciation	(2,512)
Amortization of deferred marketing costs	(114)
Amortization of deferred financing costs and original issue discount	(54)
Interest expense - Subordinate Loan	(47)
Total expenses less depreciation and amortization	11,158
Daily operating expenses ^(b)	31
Days cash on hand	494

(a) The Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year other than the debt service requirements on the Series 2021B/C Bonds.

(b) Daily operating expenses are equal to total operating expenses less depreciation, amortization, and interest expense related to the Subordinate Loan divided by 365 days.

The above tables should be considered in conjunction with the entire Feasibility Study, included in Appendix B hereto, to understand the Corporation's financial requirements and the assumptions upon which the Feasibility Study is based. The achievement of any financial forecast is dependent upon future events the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from Management's forecast. Such variation could be material. See the Feasibility Study in Appendix B hereto.

CERTAIN BONDHOLDERS' RISKS. AN INVESTMENT IN THE SERIES 2021 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE HOLDER OF THE SERIES 2021 BONDS IS ADVISED TO READ THE SECTIONS "SECURITY FOR THE SERIES 2021 BONDS" AND "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2021 BONDS. Careful consideration should be given to these risks and other risks described elsewhere in this Official Statement. Among other things, because the Series 2021 Bonds are payable solely from the revenues of the Corporation and other moneys pledged to such payment, careful evaluation should be made of Management's assumptions and the rationale described in the Feasibility Study, and certain factors

(including, but not limited to, the ability of the Corporation to attract residents and enter into Residency Agreements and manage the Facility in a manner which maintains high occupancy levels), that may adversely affect the ability of the Corporation to generate sufficient revenues to pay its expenses of operation, including the principal or redemption price of and interest on the Series 2021 Bonds.

No dealer, broker, salesman or other person has been authorized by the Issuer, the Corporation, OTC or the Underwriter to give any information or to make any representations with respect to this offering, other than those contained in this Official Statement, 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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Corporation since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities 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, and this Official Statement is not to be construed as the promise or guarantee of the Underwriter.

The Issuer makes no representation with respect to the information in this Official Statement, other than under the heading "THE ISSUER" and information concerning the Issuer under the headings "SUMMARY STATEMENT," "INTRODUCTION" and "LITIGATION."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS 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 MAY OFFER AND SELL THE SERIES 2021 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

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OFFICIAL STATEMENT

Relating To

\$103,245,000*

THE TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION REVENUE BONDS (GURWIN INDEPENDENT HOUSING, INC./FOUNTAINGATE GARDENS PROJECT), SERIES 2021

Consisting of

\$39,745,000 Series 2021A Bonds

**\$32,500,000 Series 2021B Entrance Fee
Principal Redemption BondsSM**

**\$31,000,000 Series 2021C
Entrance Fee Principal Redemption BondsSM**

INTRODUCTION

This Official Statement, including the cover page and appendices, sets forth certain information in connection with the issuance and sale of the Revenue Bonds (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021 (the "Series 2021 Bonds"), consisting of \$39,745,000 Series 2021A Bonds (the "Series 2021A Bonds"), \$32,500,000 Series 2021B Entrance Fee Principal Redemption Bonds (the "Series 2021B Bonds") and \$31,000,000 Series 2021C Entrance Fee Principal Redemption Bonds (the "Series 2021C Bonds") of the Town Of Huntington Local Development Corporation (the "Issuer"), a local development corporation in the State of New York, (the "State"), existing under Section 1411 of the Not-for-Profit Corporation Law of the State (the "Act"). The Series 2021 Bonds will be issued under and be secured by a Indenture of Trust, dated as of March 1, 2021 (the "Bond Indenture"), by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The Bond Trustee is also the Registrar and Paying Agent for the Series 2021 Bonds. The Series 2021 Bonds will be dated the date of delivery, which is expected on or about March 17, 2021 (the "Closing Date"). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings specified in Appendix C hereto – "FORMS OF PRINCIPAL DOCUMENTS" attached hereto.

Proceeds of the Series 2021 Bonds will be loaned by the Issuer to Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens (the "Corporation") pursuant to a Loan Agreement, dated as of dated as of March 1, 2021 (the "Loan Agreement") between the Issuer and the Corporation, and will be used, together with other available moneys, to provide (1) financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as "Fountaingate Gardens" (the "Facility"), (2) funding a debt service reserve fund with respect to the Series 2021 Bonds; (3) funding initial working capital needs directly related to the Facility and funding capitalized interest with respect to the Series 2021 Bonds; and (4) paying certain costs of issuing the Series 2021 Bonds (collectively, the "Project"). See "THE CORPORATION AND THE FACILITY" herein.

As security for the Series 2021 Bonds, pursuant to the Bond Indenture, the Issuer will assign its rights under the Loan Agreement to the Bond Trustee for the benefit of the holders of the Series 2021 Bonds, except the right to receive payment of its fees and expenses, to receive indemnity against claims, to receive notices and to grant consents or waivers.

The obligation of the Corporation to repay the loan of the proceeds of the Series 2021 Bonds from the Issuer will be secured by certain obligations (the "Series 2021 Obligations"), issued under and entitled to the benefit and security of a Master Trust Indenture dated as of March 1, 2021 (the "Original Master

Indenture”), between the Corporation, as the sole member of the obligated group described therein (“Obligated Group”) and as the Obligated Group Agent, and U.S. Bank National Association, in its role as the Master Trustee (the “Master Trustee”), as supplemented from time to time, including by the Supplemental Master Indentures No. 1, No. 2, and No. 3, each dated as of March 1, 2021 (together, the “Supplemental Indentures” and together with the Original Master Indenture, the “Master Indenture”), between the Corporation, as the Obligated Group, and the Master Trustee. See “SECURITY FOR THE SERIES 2021 BONDS – The Master Indenture and the Mortgages” herein. See also “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto. The Series 2021 Obligations will be assigned by the Issuer to the Bond Trustee pursuant to the Bond Indenture as security for each of the corresponding Series 2021 Bonds.

The Series 2021 Obligations and all Obligations issued pursuant to the Master Indenture will be secured by (i) the lien created by a Building Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “Building Loan Mortgage”), by the Corporation in favor of the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Building Loan Mortgage”), from the Issuer to the Master Trustee, (ii) the lien created by a Project Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “Project Loan Mortgage”), by the Corporation in favor of the Issuer, which Project Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Project Loan Mortgage”), and (iii) a pledge of Gross Revenues of the Obligated Group Members under the Master Indenture. To finance a portion of the costs of the Facility, the proceeds secured by the Building Loan Mortgage (the “Building Loan Proceeds”) will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated as of March 1, 2021 among the Corporation, the Issuer and the Master Trustee (the “Building Loan Agreement”) to pay for some or all of the direct cost of construction or renovation of the Facility (collectively, the “Construction Costs”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage.

The Series 2021 Bonds will be further secured by (i) an Assignment of Development Consulting Agreement dated the Closing Date (the “Assignment of Development Consulting Agreement”), from the Corporation to the Issuer and the Master Trustee, (ii) an Assignment of Architect Agreement dated the Closing Date (the “Assignment of Architect Agreement”), from the Corporation to the Issuer and the Master Trustee, and (iii) an Assignment of Guaranteed Maximum Price Construction Agreement, dated the Closing Date (the “Assignment of Guaranteed Maximum Price Construction Agreement”), from the Corporation to the Issuer and the Master Trustee.

The Corporation is the only current member of the Obligated Group under the Master Indenture, but additional Obligated Group Members may be admitted to the Obligated Group. See “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture - Admission of Obligated Group Members” in Appendix C hereto. The Series 2021 Obligations will constitute joint and several obligations of the Obligated Group Members to pay amounts sufficient to pay principal, premium, if any, and interest on the Series 2021 Bonds. The Series 2021 Obligations will be secured on a parity basis with Obligations hereafter issued under the Master Indenture, except Subordinated Indebtedness, by a security interest in the Gross Revenues of the Obligated Group (including Entrance Fees and accounts receivable) and the funds established under the Master Indenture. If an Event of Default under the Master Indenture occurs due to failure to pay any debt service on any Obligations when due and continuing, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within seven (7) days the Obligated Group Agent will (i) engage a Consultant (which

Consultant is not objected to by the Master Trustee) to review the operating budget of the Obligated Group and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Agent and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose, until no payment default under the Master Indenture then exists. See "SECURITY FOR THE SERIES 2021 BONDS". See also "CERTAIN BONDHOLDERS' RISKS – Certain Matters Relating to Enforceability of the Master Indenture."

THE SERIES 2021 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE TOWN OF HUNTINGTON, THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE TOWN OF HUNTINGTON. THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE AND THE LOAN AGREEMENT. THE ISSUER HAS NO TAXING POWER.

The Series 2021 Bonds are limited, special obligations of the Issuer payable solely from payments made by the Corporation under the Loan Agreement and moneys and securities held by the Bond Trustee under the Bond Indenture.

The Series 2021 Bonds are subject to optional and mandatory redemption prior to maturity, as described under the caption "THE SERIES 2021 BONDS."

The purchase of the Series 2021 Bonds involves a significant degree of risk. Prospective purchasers should carefully consider the material under the caption "RISK FACTORS" herein.

The forms of the Bond Indenture, Master Indenture and the Loan Agreement (collectively, the "Principal Documents") are included in Appendix C hereto – "FORMS OF PRINCIPAL DOCUMENTS." All references to the Series 2021 Bonds, the Bond Indenture, the Master Indenture and the Loan Agreement are qualified in their entirety by the definitive forms thereof. The forms of the Principal Documents may be subject to modification prior to the closing. A copy of the final forms of the Principal Documents are available from the Bond Trustee.

THE ISSUER

General

The Issuer was established in accordance with the Section 1411 of the New York Not-For-Profit Corporation Law (collectively, the "Act"), as a local development corporation pursuant to the Act for the purpose of promoting the economic welfare of the inhabitants of the Town of Huntington and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration.

Issuer Membership and Organization

The Town of Huntington, New York (the "Town") is the sole member of the Issuer. The Town as the sole member of the Issuer, acting through the Town Board, appoints the Board of Directors of the Issuer.

The Board of Directors of the Issuer is as follows:

Chad Lupinacci, Chairperson

Mark A. Cuthbertson, Treasurer

Eugene Cook, Vice-Chairperson

Joan A. Cergol, Secretary

Edmund J. Smyth, Member

Powers of the Issuer

Under the Act, the Issuer has the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing, reconstructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest and to issue its revenue bonds in furtherance of the foregoing. The Act further authorizes the Issuer to lease and sell any or all of its facilities, to issue bonds and to make loans for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon.

Bond Financing Program of the Issuer

The Issuer has heretofore authorized and issued various series of its revenue bonds for educational facilities, not-for-profit entities and other qualified entities in the Town of Huntington and its vicinity. The Issuer intends to enter into separate agreements in the future with qualified entities for the purpose of financing additional projects for such institutions or entities through the issuance of other series of bonds and notes. Each such series of bonds and notes have been and will be issued and secured pursuant to resolutions, indentures and agreements separate and apart from the Bond Indenture and the Loan Agreement.

THE CORPORATION AND THE FACILITY

The Corporation

Gurwin Independent Housing, Inc. is a New York not-for-profit corporation established in 2014. The Corporation was created to develop, construct and own a senior independent living community. The Corporation has been determined by the Internal Revenue Service to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The Gurwin Healthcare System

The Gurwin organization has evolved over a 30 year history that was initiated with the development of the Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island Inc. (d/b/a Gurwin Jewish Nursing & Rehabilitation Center) and is committed to providing quality health care and services to Long Island residents. In 2018, The Gurwin Healthcare System, Inc. (the "System") was created to coordinate activities of each affiliated entity on an approximately 24-acre campus including:

- Gurwin Jewish Nursing and Rehabilitation Center ("Gurwin Nursing"), a 460-bed skilled nursing and rehabilitation center providing short and long term care, a memory care unit, ventilator care, infusion center, adult day care and dialysis center;
- Gurwin Jewish-Fay J. Lindner Residences ("Lindner Residences"), an assisted community with approximately 200 assisted living apartments including a memory care unit.

To further the System's services and geographic service area, a home care agency is located in Farmingdale, New York and an adult day care program is provided at Gurwin Nursing. In addition, the System has acquired Island Nursing and Rehab Center in Holtsville, New York. It is not expected that Island Nursing and Rehab Center will provide any services to residents of the Facility.

The Foundation, Pre-Finance Development Loans and Other Support for the Project.

The Gurwin Jewish Geriatric Foundation, Inc. (d/b/a The Gurwin Jewish Healthcare Foundation, the "Foundation") has provided the Corporation with a cash donation of \$4 million, which has been used by the Corporation as an equity contribution to the Project. In addition, pursuant to a loan agreement dated as of September 2, 2020, as amended, by and between the Foundation, as lender, and the Corporation, as borrower, the Foundation has agreed to loan the Corporation up to \$16 million for pre-finance development costs associated with the Project (the "Pre-Finance Development Loan"). As of February 12, 2021, the Foundation has advanced approximately \$15.7 million of the Pre-Finance Development Loan for costs related to planning, design, marketing, permits and approvals, consulting, financing, and initial site development. It is anticipated that a portion of the Pre-Finance Development Loan in the amount of approximately \$11.7 million will be repaid from the Series 2021 Bond proceeds and a \$4 million portion will remain outstanding until 2025 as Initial Subordinated Indebtedness of the Corporation (as defined in the Master Indenture). Repayment of the Initial Subordinate Indebtedness is contingent upon satisfaction of certain conditions, namely the repayment of the Series 2021B and Series 2021C Bonds.

In addition, concurrently with the issuance of the Series 2021 Bonds, the Foundation will enter into a Liquidity Support Agreement and a Resident Entrance Fee Guaranty Agreement for the benefit of the Corporation. See "SECURITY FOR THE SERIES 2021 BONDS – Liquidity Support Agreement and – Resident Entrance Fee Guaranty Agreement" herein.

The Corporation will construct the Facility on approximately 10.47 acres of land owned by the Corporation and adjacent to the Lindner Residences in Commack, New York (the “Project Site”). The land was donated to the Corporation by the Foundation. The current appraised value of the Project Site is \$4,675,000.

**The Gurwin Jewish Healthcare Foundation, Inc.
Summary Financial Contributions and Support**

Land		\$4,675,000
Cash Donation		4,000,000
Pre-Finance Development Loan	\$15,700,000	
Less: Repaid with Proceeds	(11,700,000)	
Net: Subordinated Loan		\$4,000,000
Resident Entrance Fee Guaranty		2,850,000
Liquidity Support ⁽¹⁾		10,000,000
Total Contributions and Support		\$25,525,000

⁽¹⁾ \$5,000,000 cash deposit plus \$5,000,000 future commitment

Shared Services Agreement

The Corporation has entered into a Shared Service Agreement dated as of September 1, 2020 with Gurwin Nursing (the “Shared Services Agreement”) to provide all management services necessary to operate the Facility, including but not limited to financial management, marketing, recordkeeping, information technology, recruitment of personnel and supervision of the day-to-day operations and programs of the Facility. The Shared Services Agreement will have a term of five years, commencing on the date on which the Corporation receives the certificate of occupancy for the first residential building. As compensation for services rendered under the Shared Services Agreement, the Corporation is to pay a shared services fee to Gurwin Nursing monthly at three percent (3%) of total monthly operating expenses, exclusive of interest, depreciation and amortization and the shared service fee (the “Shared Services Fee”). The Corporation will also reimburse Gurwin Nursing for the portion of the salaries and benefits of Gurwin Nursing personnel who provide services, other than healthcare services, to the Facility. Payment of fees for services (excluding reimbursements to the Gurwin Nursing for out-of-pocket third party expenses) payable to the Gurwin Nursing will be subordinate to the obligations of the Corporation under the Series 2021 Bonds and any additional bonds.

Health Care Services Agreements

The Corporation has entered into (i) an Agreement for Assisted Living Services dated as of March 24, 2020 with Lindner Residences, to provide for assisted living care services to residents of the Facility and (ii) an Agreement for Skilled Nursing Services dated as of March 24, 2020 with Gurwin Nursing to provide for skilled nursing and rehabilitative care to residents of the Facility. See Appendix A – “INFORMATION CONCERNING THE CORPORATION AND THE FACILITY”

The Facility

The Facility to be constructed with proceeds of the Series 2021 Bonds consists of:

(i) an approximately 57,444 square foot, four-story building known as the Terraces, consisting of approximately twenty-seven (27) one-bedroom and two-bedroom terrace apartments, a parking garage, accessory/storage space, and assembly space (collectively, the “Terraces”);

(ii) an approximately 171,121 square foot, five-story building known as Parkview, consisting of approximately one hundred two (102) one-bedroom and two-bedroom apartments, a below-grade parking garage, accessory/storage space, and assembly space (collectively, “Parkview”);

(iii) a community center consisting of fitness and exercise areas, an indoor pool area, locker room space, accessory/storage space, a library, kitchen, marketplace, and dining spaces, a business area, assembly space, an art studio, a salon and day spa, game room and multi-purpose room (collectively, the “Commons”).

See Appendix A – “INFORMATION CONCERNING THE CORPORATION AND THE FACILITY” hereto.

Marketing And Presales

In July 2017, the Corporation began collecting deposits for reservations of Independent Living Units equal to 5% or 10% of the Entrance Fee (the “Reservation Deposit”). Five percent deposits were available on a limited basis from July 2017 to September 2018. As of February 12, 2021, 71 of the 129 Independent Living units, representing approximately 55% of the total Independent Living Units, were reserved by prospective residents who have executed a reservation agreement (the “Reservation Agreement”), provided a self-disclosure of his or her health and finances and made a Reservation Deposit on the selected Independent Living Unit. Of the 71 depositors, 67 were 10% Depositors and four were 5% Depositors. See “APPENDIX A - INFORMATION CONCERNING THE CORPORATION AND THE FACILITY - Marketing Process and Current Status” and “APPENDIX B – FEASIBILITY STUDY” hereto. **The Feasibility Study included herein as Appendix B should be read in its entirety.**

The Residency Agreement may be canceled by the Corporation for just cause or by the resident with 30 days prior written notice to the other party. The remaining portion of the Entrance Fee is due on or before the occupancy date of the Independent Living Unit in which the depositor becomes a resident. Upon Occupancy, all Residents are expected to pay an ongoing Monthly Fee. See “APPENDIX A - INFORMATION CONCERNING THE CORPORATION AND THE FACILITY - Marketing Process and Current Status” and “APPENDIX B – FEASIBILITY STUDY” hereto.

SECURITY FOR THE SERIES 2021 BONDS

General

The Series 2021 Bonds will be issued by the Issuer pursuant to the Bond Indenture to be secured on a parity with any Additional Bonds as provided in the Bond Indenture. The Indenture provides that the Series 2021 Bonds shall be special obligations of the Issuer, payable solely from and secured by a pledge of the Pledged Revenues and funds provided therefore under the Bond Indenture. As security for its obligation under the Bond Indenture, the Issuer will pledge and assign to the Bond Trustee for the benefit of the holders of the Series 2021 Bonds (i) all of the Issuer’s rights under the Loan Agreement, including, but not limited to, the payments due from the Corporation (but excluding the right to receive payment of the Issuer’s fees and expenses, to receive indemnity against claims, to receive notices and to grant consents or waivers); (ii) all amounts on deposit in the funds and accounts under the Bond Indenture including the earnings thereon, subject to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions of the Bond Indenture; (iii) any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security thereunder (except moneys and securities in the Rebate Fund), by the Issuer or by anyone in its behalf or with its written consent or by the Corporation

in favor of the Trustee, which is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms hereof.

Pursuant to the Loan Agreement, the Corporation, in consideration of the Issuer's loan of the proceeds of the Series 2021 Bonds, agrees to pay amounts sufficient, together with available funds held under the Bond Indenture, to provide for the timely payment of all debt service requirements on the Series 2021 Bonds and to perform certain other obligations set forth therein. The Loan Agreement constitutes a general obligation of the Corporation to pay the amounts due under a certain note for each series of Series 2021 Bonds created and issued pursuant to the Loan Agreement (the "Series 2021 Notes"). The Series 2021 Notes shall be issued to the Bond Trustee as assignee of the Issuer by the Corporation to evidence the loan to the Corporation from the Issuer of the proceeds of the Series 2021 Bonds. The amount of each of the Series 2021 Notes will be in the same face amount as the Series 2021 Bonds or the corresponding series and will have terms and conditions to provide payments thereon sufficient to pay all amounts due on the Series 2021 Bonds of such series.

The Bond Indenture

The Series 2021 Bonds are to be issued pursuant to the Bond Indenture and, together with any Additional Bonds that may be issued from time to time under the Bond Indenture, will be equally and ratably secured thereby. The Indenture provides that the Series 2021 Bonds, and any Additional Bonds issued thereunder (collectively, the "Bonds") shall be limited obligations of the Issuer, payable solely from and secured solely by the payments made by the Corporation pursuant to the Loan Agreement and the funds established under the Bond Indenture. As security for its obligations under the Bond Indenture, the Issuer will pledge to the Bond Trustee for the benefit of the holders of the Series 2021 Bonds (i) all of the Issuer's rights under the Loan Agreement, including, but not limited to, the payments due from the Corporation (but excluding the right to receive payment of the Issuer's fees and expenses, to receive indemnity against claims, to receive notices and to grant consents or waivers); (ii) all amounts on deposit in the funds and accounts under the Bond Indenture, including the earnings thereon, subject to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions of the Bond Indenture; (iii) any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security thereunder (except moneys and securities in the Rebate Fund), by the Issuer or by anyone in its behalf or with its written consent or by the Corporation in favor of the Trustee, which is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms hereof.

Debt Service Reserve Fund

A Debt Service Reserve Fund and within such Fund, an Account for each series of Bonds, will be established under the Bond Indenture. The Series 2021A Bonds Debt Service Reserve Fund Account will be funded upon the issuance of the Series 2021 Bonds in an amount equal to the maximum annual debt service requirement on the Series 2021A Bonds, subject to any limitations under the Code, and one year of interest on the Series 2021B Bonds and the Series 2021C Bonds. The Series 2021 Bonds Debt Service Reserve Fund Accounts will be held for the benefit of the Bondholders of the corresponding series of the Series 2021 Bonds and are available for payment of the principal of and interest on the applicable Series 2021 Bonds if payments by the Corporation are insufficient therefor.

When moneys in the Bond Fund created under the Bond Indenture are insufficient to pay principal of or interest on Bonds when due, moneys in the applicable Account of the Debt Service Reserve Fund shall be applied to cure any deficiency in the Bond Fund. Moneys in the Series 2021 Bonds Debt Service Reserve Fund Accounts shall be applied solely to pay debt service on the Series 2021 Bonds. If at any time

the Debt Service Reserve Fund Value of the applicable Account of the Debt Service Reserve Fund exceeds one hundred percent (100%) of the Debt Service Reserve Fund Requirement (as defined in Appendix C hereto), such excess may be transferred, at the direction of the Corporation and applied as set forth in the Bond Indenture. The Bond Trustee is directed under the Bond Indenture to make such deposits into the Debt Service Reserve Fund as are required to be made under the Bond Indenture or the Loan Agreement, including, but not limited to any payments received by the Bond Trustee from the Corporation pursuant to the Loan Agreement following any withdrawal from or shortfall in the Debt Service Reserve Fund. On the final payment date of any series of Bonds (whether by maturity or earlier redemption), if the Reserve Fund Value of the applicable account of the Debt Service Reserve Fund exceeds one hundred percent (100%) of the applicable Debt Service Reserve Fund Requirement after giving effect to such final payment, such excess moneys in the applicable Account of the Debt Service Reserve Fund shall be used to pay the principal or redemption price of, and interest on, such series of Bonds on such final payment date.

Additional Bonds and Additional Indebtedness

One or more series of Additional Bonds may be issued under the Bond Indenture to complete or make additions or improvements to the Facility, to provide extensions, additions, improvements or repairs to the Facility or other property of the Corporation, to refund any or all Outstanding Bonds issued under the Bond Indenture or to provide additional funds for the Debt Service Reserve Fund. Additional Bonds will be ratably and equally secured with the Series 2021 Bonds to the extent provided in the Bond Indenture. Prior to the issuance of any Additional Bonds, the Corporation must demonstrate satisfaction of the Permitted Debt provisions of the Loan Agreement and the Issuer and the Corporation are required to enter into an amendment to the Loan Agreement or a supplemental agreement to provide that the payments under the Loan Agreement will be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds. See Appendix C hereto – “FORMS OF PRINCIPAL DOCUMENTS – Indenture of Trust – Authorization and Terms of Bonds – Additional Bonds” and Appendix C “FORMS OF PRINCIPAL DOCUMENTS – Loan Agreement – Particular Covenants – Permitted Debt.”

Under certain circumstances under the Loan Agreement, the Corporation may incur Additional Indebtedness on a parity with the Series 2021 Notes and, additionally, the Corporation may incur Indebtedness not evidenced by Notes and not issued pursuant to the Loan Agreement. In either case, the type and the aggregate amount of such Additional Indebtedness must be within the limitations contained in the Loan Agreement. The terms of such Indebtedness, including the remedies granted to the holders of such Additional Indebtedness, may be different from the terms of the Series 2021 Notes. See Appendix C hereto – “FORMS OF PRINCIPAL DOCUMENTS – Loan Agreement – Particular Covenants – Permitted Debt.”

Entrance Fees Fund

Pursuant to the Bond Indenture, to the extent Entrance Fees are released from escrow while any Series 2021B Bonds or Series 2021C Bonds are Outstanding, Entrance Fees received by the Corporation shall be tendered immediately to the Trustee and deposited by the Bond Trustee in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

First, to pay any refund of Entrance Fees owed to any former or prospective residents of the Facility or persons who withdrew from the Facility as required by the Residency Agreements, as certified and directed by an Authorized Representative of the Corporation

Second, to the Operating Reserve Fund in an aggregate amount not to exceed \$3,000,000;

Third, to the Working Capital Fund to pay for Costs of the Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$6,000,000; provided an

additional \$2,500,000 in Entrance Fees may be used upon certification by an Authorized Representative of the Corporation to the Trustee that moneys in the Construction Account of the Project Fund, together with anticipated investment earnings to be deposited therein, are insufficient to complete payment of such Costs of the Project associated with working capital expenses;

Fourth, to the applicable Account of the Debt Service Reserve Fund to make up for any deficiency with respect to the Debt Service Reserve Fund Requirement;

Fifth, to the Special Redemption Fund to be used to make quarterly redemption payments to redeem Series 2021C Bonds on each Entrance Fee Redemption Date whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000, provided that no Series 2021B Entrance Fee Redemption payment shall be made so long as any Series 2021C Bonds remain Outstanding; and

Sixth, to the Special Redemption Fund to be used to make quarterly redemption payments to redeem Series 2021B Bonds on each Entrance Fee Redemption Date whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000; and

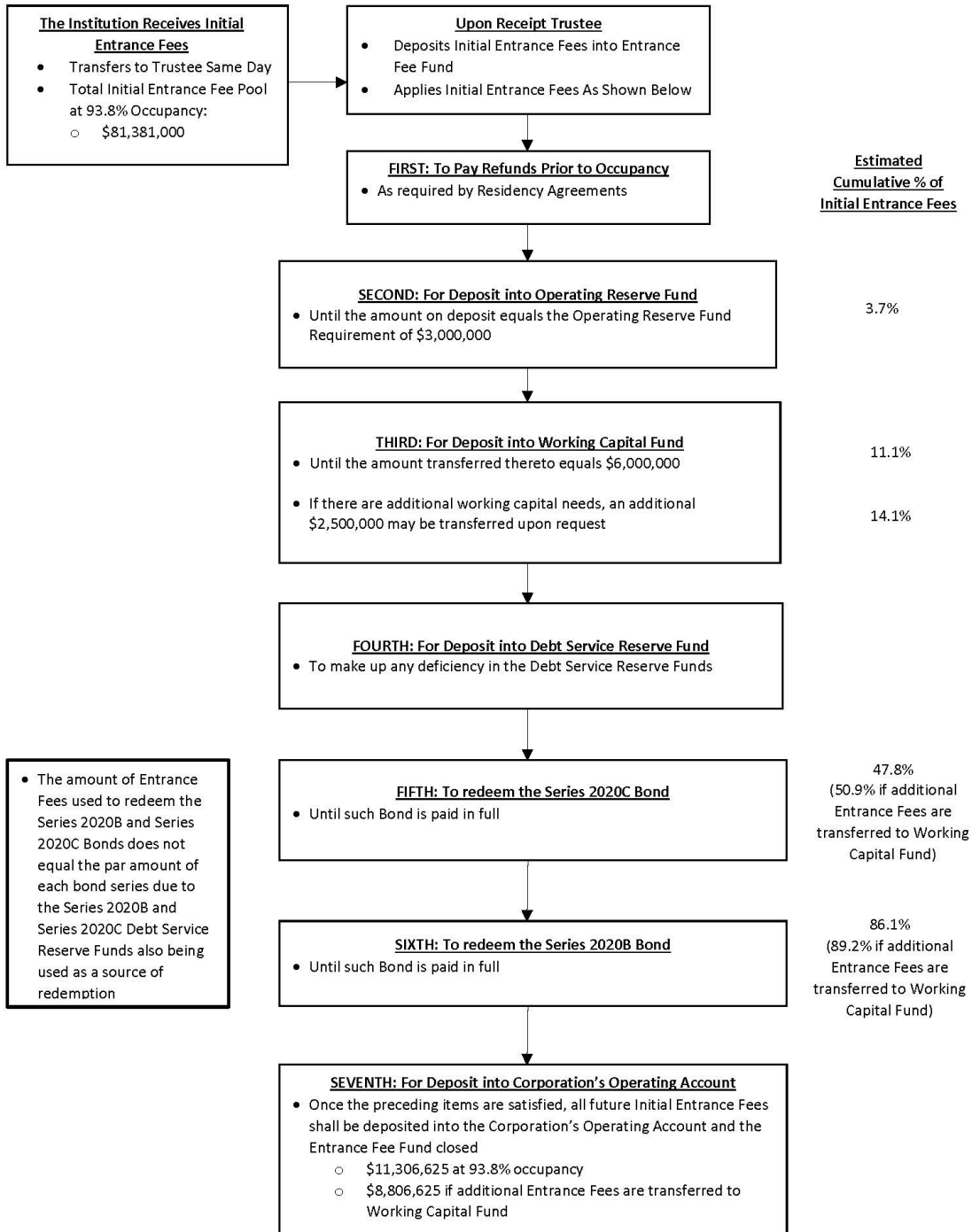
Seventh, all remaining Entrance Fees shall be paid to the Corporation and the Entrance Fee Fund shall be closed.

The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements and transfer therefrom.

The diagram on the following page sets forth the flow of funds from the Entrance Fees Fund as described above.

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Application of Initial Entrance Fees



The Loan Agreement and the Series 2021 Notes

Pursuant to the Loan Agreement, the Issuer will lend the proceeds of the Series 2021 Bonds to the Corporation and the Corporation will agree: (i) to make payments in amounts sufficient, together with investment earnings on the funds held under the Bond Indenture, to provide the Bond Trustee with funds sufficient for the timely payment of the principal, redemption price and purchase price of, and interest on, all Bonds Outstanding under the Bond Indenture; and (ii) to perform certain other obligations set forth therein. As described above under the caption, “The Bond Indenture”, the Issuer will assign its rights under the Loan Agreement, including, but not limited to, its right to receive payments of principal and interest thereunder (but excluding the right to receive payment of its fees and expenses, to receive indemnity against claims, to receive notices and to grant consents or waivers), to the Bond Trustee for the benefit of the holders of the Series 2021 Bonds.

Pursuant to the Loan Agreement, the Series 2021 Notes shall be issued to the Bond Trustee as assignee of the Issuer by the Corporation to evidence the loan to the Corporation from the Issuer of the proceeds of the Series 2021 Bonds. The Corporation agrees that it will promptly pay the principal of, redemption premium, if any, and interest on the Series 2021 Notes in the manner and at the places required by the Series 2021 Notes. The Loan Agreement requires that payments with respect to the Series 2021 Notes be made to the Bond Trustee.

THE SERIES 2021 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE TOWN OF HUNTINGTON, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE AND THE LOAN AGREEMENT. THE ISSUER HAS NO TAXING POWER.

The Master Indenture and the Mortgages

The Master Indenture is intended to provide assurance for the repayment of Obligations entitled to its benefits by imposing financial and operating covenants which restrict the Corporation and any other future Obligated Group Members and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such Obligations. Upon the issuance of the Series 2021 Bonds, the Series 2021 Obligations, consisting of Gurwin Independent Housing, Inc. Obligated Group Note, Series No. 1 Note, Series No. 2 Note and Series No. 3 Note, each to be dated the closing date of the Series 2021 Bonds, will be the only obligations presently entitled to the benefits of the Master Indenture. The holders of all Obligations entitled to the benefit of the Master Indenture, with the exception of the Subordinate Obligations, will be on parity with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Corporation and any future Obligated Group Members have pledged and granted to the Master Trustee (a) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (b) a security interest in all personal property owned or hereafter acquired by the Obligated Group, (c) a security interest in the amounts on deposit in the funds established under the Master Indenture, and (d) a security interest in any other property from time to time subjected to the lien of the Master Indenture. The lien and security interests created by the Master Indenture may become subject to additional Permitted Encumbrances, as defined in Appendix C hereto. See “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto.

In connection with the execution of the Master Indenture, the Corporation will execute the Building Loan Mortgage and the Project Loan Mortgage (the “Mortgages”) as security for (a) the prompt payment of the principal of, premium, if any and the interest on the Obligations (except Subordinate Obligations)

outstanding from time to time and (b) the performance by each Obligated Group Member of its other obligations under the Master Indenture and the Mortgages.

To finance a portion of the costs of the Facility, the proceeds secured by the Building Loan Mortgage (the “Building Loan Proceeds”) will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated as of March 1, 2021 among the Corporation, the Issuer and the Master Trustee (the “Building Loan Agreement”) to pay for some or all of the direct cost of construction or renovation of the Facility (collectively, the “Construction Costs”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage.

The Mortgages create a lien in certain real property, improvements and equipment of the Corporation. The Series 2021 Obligations and any future Obligations, except Subordinated Indebtedness, will be secured by the Mortgages on a parity basis. The lien and security interests created by the Mortgages may become subject to additional Permitted Encumbrances, as defined in Appendix C hereto. See “FORMS OF PRINCIPAL DOCUMENTS – The Mortgage” in Appendix C hereto.

The Series 2021 Obligations will constitute joint and several obligations of each Obligated Group Member. Currently, only the Corporation and the Master Trustee are parties to the Master Indenture and the Corporation is the only Obligated Group Member. The Corporation and each Obligated Group Member admitted in the future will be jointly and severally liable for the payment for all Obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. See “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto for a description of the limitations on admission and release of Obligated Group Members.

In addition to the covenants described below, the Master Indenture contains additional covenants relating to, among others, the maintenance of the Obligated Group’s property, corporate existence, the maintenance of certain levels of insurance coverage, the incurrence of additional indebtedness, the sale or lease of certain property, and permitted liens. For a full description of these and other covenants, see “FORMS OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto.

Loan Agreement Covenants

The Loan Agreement contains covenants of the Corporation with respect to the cumulative cash loss prior to Stabilization, marketing and occupancy, restrictions on additional indebtedness, liens and certain other matters, including the covenants summarized below. For the definitions of certain words and terms used under this heading “Loan Agreement Covenants,” see Appendix C hereto – “FORMS OF PRINCIPAL DOCUMENTS.”

Cumulative Cash Loss Covenant. The Corporation covenants to maintain a maximum Cumulative Cash Loss for each fiscal quarter commencing with the first full fiscal quarter after the Certificate of Occupancy is received and ending with the fiscal quarter in which Stabilization occurs of no greater than the maximum Cumulative Cash Loss shown below for such fiscal quarter.

<u>Fiscal Quarter Following Initial Occupancy Date</u>	<u>Maximum Cumulative Cash Loss</u>
1	\$2,500,000
2	\$3,300,000
3	\$4,200,000
4	\$5,000,000
5+	\$5,500,000

If as of any Testing Date, the Cumulative Cash Loss of the Corporation is greater than the amounts required above, the Corporation shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Cumulative Cash Loss for future periods.

If, as of any two consecutive Testing Dates, the Cumulative Cash Loss is greater than the levels set forth above, the Corporation shall, within 15 days after receipt of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Corporation and the Corporation's methods of operation and other factors affecting its financial condition in order to decrease the Cumulative Cash Loss. Such Consultant shall be approved and retained as set forth in the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with the Obligated Group Members and each Required Information Recipient within 45 days after the date the Consultant is retained. The Corporation shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law. The Corporation shall not be required to obtain a Consultant's report more than one time in any six month period.

Within 165 days of filing the Consultant's report and recommendations as required in the paragraph above, the Corporation shall cause the Consultant to prepare a follow-up report at the Corporation's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations..

Notwithstanding any other provision of the Loan Agreement, failure of the Corporation to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under the Loan Agreement if the Corporation takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Corporation) and permitted by law, provided, however, that if the Corporation fails to achieve the Cumulative Cash Loss Covenant by the Testing Date immediately following the second full fiscal quarter following the submission of the Consultant's report, such failure shall constitute an Event of Default under the Loan Agreement.

Marketing Covenant. Beginning with the first full fiscal quarter following the fiscal quarter in which the Series 2021 Bonds are issued, and ending with the first full fiscal quarter following Stabilization, the Corporation will use its best efforts to maintain the percentage of Independent Living Units that are part of the Facility which are Reserved at or above the applicable levels set forth below, which determinations shall be measured as of the last day of the applicable quarter (the "Marketing Requirements"). The applicable Marketing Requirements are as follows:

Quarter Ending	Reserved Independent Living Units	
	No. of Units	Percent
09/30/21	82	63.6%
12/31/21	86	66.7%
03/31/22	90	69.8%
06/30/22	95	73.6%
09/30/22	100	77.5%
12/31/22	105	81.4%
3/31/23 and thereafter	110	85.3%

If the percentage of Reserved Units for any Marketing Quarter is less than the applicable Marketing Requirement set forth above for that Marketing Quarter, the Corporation is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report (a “Management Marketing Report”) setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Reserved Units for future periods.

If the percentage of Reserved Units is less than the Marketing Requirement for two successive Marketing Quarters, the Corporation is required to retain a Consultant within 15 days thereafter to make recommendations regarding the actions to be taken to increase the percentage of Reserved Units to the Marketing Requirements set forth herein for future periods. Within 45 days of retaining any such Consultant, the Corporation is required to cause a copy of the Consultant’s report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. The Corporation is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of the Corporation) and permitted by law. Such Consultant shall be approved and retained as set forth in the Loan Agreement. The Corporation will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters

Within 165 days of filing the Consultant’s report and recommendations, as required in the above paragraph, the Corporation shall cause the Consultant to prepare a follow-up report at the Corporation’s expense indicating if the Consultant’s recommendations were implemented and shall cause a copy of the Consultant’s follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant’s initial report and recommendations.

Failure of the Corporation to achieve the Marketing Requirements for any fiscal quarter will not constitute an Event of Default under the Loan Agreement if the Corporation takes all action necessary to comply with the procedures set forth above for preparing a Management Marketing Report or obtaining a Consultant’s report and adopting a plan and follows each recommendation contained in such Consultant’s report to the extent feasible (as determined in the reasonable judgment of the as determined by the Governing Body of the Corporation) and permitted by law; provided however that if the Corporation fails to achieve the Marketing Requirements upon the Testing Date immediately following two full fiscal quarters following the delivery of the Consultant’s report, such failure shall constitute an Event of Default under the Loan Agreement.

Occupancy Covenant. The Corporation covenants that for each full fiscal quarter (a) commencing with the first fiscal quarter following Initial Occupancy Date, and (b) ending with the first full fiscal quarter following Stabilization (each an “Occupancy Quarter”), the Corporation will use its best efforts to maintain the number and percentage of Occupied Independent Living Units at or above the requirements set forth below, which levels shall be measured as of the last day of the applicable Occupancy Quarter (the “Occupancy Requirements”):

Occupancy Quarter	Occupancy Requirements	
	No. of Units	Percent
1	10	7.8%
2	35	27.1%
3	60	46.5%
4	75	58.1%
5	90	69.8%
6	100	77.5%
7	105	81.4%
8	110	85.3%
9 and thereafter	116	89.9%

For the purpose of determining the number of Occupied Independent Living Units, any residence agreement covering two Independent Living Units shall count as two Occupied Independent Living Units.

If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Corporation shall, within 30 days after the end of such Occupancy Quarter, deliver an Officer's Certificate to the Master Trustee, containing, (a) an occupancy report (a "Management Occupancy Report") that setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Occupied Independent Living Units for future periods.

If the Percentage of Units Occupied for any two consecutive Occupancy Quarters is less than the Occupancy Requirement set forth above for those Occupancy Quarters, the Corporation is required to retain a Consultant within 15 days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to the Occupancy Requirement set forth above for future periods. Within 45 days of retaining any such Consultant, the Corporation is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. The Corporation is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of the Corporation) and permitted by law. The Corporation will not be required to obtain a Consultant's report in any two consecutive Occupancy Quarters.

Within 165 days of filing the Consultant's report and recommendations as required in the paragraph above, the Corporation shall cause the Consultant to prepare a follow-up report at the Corporation's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations.

Failure of the Corporation to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under the Loan Agreement if the Corporation takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law, provided however that if the Corporation fails to achieve the Occupancy Requirement upon the Testing Date immediately following the second full fiscal quarter following the submission of the Consultant's report, such failure shall constitute an Event of Default under the Loan Agreement.

Master Indenture Covenants

Debt Service Coverage Ratio. The Obligated Group agrees that it will calculate the Debt Service Coverage Ratio of the Corporation (i) as of the end of each fiscal quarter on a rolling 12-month basis, commencing with the earlier of (A) the first full fiscal quarter following Stabilization or (B) the fiscal quarter ending June 30, 2025 (provided that for the first nine-months that the Debt Service Coverage Ratio is required to be computed, the Debt Service Coverage Ratio may be calculated on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed), and (ii) as of the end of each Fiscal Year, based on audited financial statements, commencing with the first Fiscal Year during which the Debt Service Coverage Ratio is required to be computed for each fiscal quarter.

If the actual Historical Debt Service Coverage Ratio is less than the Debt Service Coverage Ratio Requirement but greater than 1.00 for any calculation date, the Obligated Group Agent, at the Obligated Group's expense, within 30 days following the delivery of the calculation described hereinabove, deliver an Officer's Certificate to the Master Trustee containing a management prepared report making recommendations and outlining steps to be taken by the Obligated Group 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 generate a Historical Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement for the following Fiscal Year.

If the Obligated Group has not raised the level of the Historical Debt Service Coverage Ratio to the Debt Service Coverage Ratio Requirement by the Testing Date immediately subsequent to the delivery of the management report required in the preceding paragraph, or if the Historical Debt Service Coverage Ratio is below 1.00 at any Testing Date, the Obligated Group Agent, at the Obligated Group's expense, shall retain a Consultant within 15 days following the delivery of the calculation described herein 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 Historical Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year.

Within 45 days of retaining any such Consultant, the Obligated Group Agent shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law.

Except as described under "Failure to Maintain Ratios or Covenants Not a Default," failure to comply with the Debt Service Coverage Ratio covenant shall not constitute an Event of Default under the Master Indenture; provided that the failure to achieve (i) a Historical Debt Service Coverage Ratio of at least 1.00 at the end of any Fiscal Year and 300 Days Cash on Hand, or (ii) a Historical Debt Service Coverage Ratio of at least 1.00 for two consecutive Fiscal Years following Stabilization shall constitute an Event of Default under the Master Indenture.

Liquidity Covenant. The Obligated Group covenants that it will calculate the Days' Cash on Hand of the Obligated Group semiannually as of June 30 and December 31, commencing with the first semiannual testing date that follows Stabilization. Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 200 Days' Cash on Hand on each Testing Date (the "Liquidity Requirement").

If the amount of Days' Cash on Hand as of any testing date is less than the Day's Cash on Hand Requirement, the Corporation shall, within thirty (30) days after delivery of the Officer's Certificate disclosing such deficiency, prepare and deliver a report and plan describing in detail the reasons for the

failure to satisfy the Liquidity Requirement and the proposed actions to be undertaken to achieve compliance with the Liquidity Requirement on the earliest practicable date.

If the amount of Days' Cash on Hand as of any Testing Date is less than the Liquidity Requirement and the Obligated Group has not raised the level of Days' Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer's Certificate delivered pursuant to the Master Indenture, the Obligated Group Agent shall, within 15 days after delivery of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Days' Cash on Hand to the Liquidity Requirement for future periods. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law.

Except as described below under "Failure to Maintain Ratios or Covenants Not a Default," failure to comply with the Liquidity covenant shall not constitute an Event of Default under the Loan Agreement; provided however that if the Obligated Group fails to achieve 150 Days Cash on Hand as of any Testing Date, such failure shall constitute an Event of Default under the Master Indenture.

Failure to Maintain Ratios or Covenants Not a Default Under Master Indenture. Notwithstanding any other provision of the Master Indenture to the contrary, failure of the Corporation to achieve the required Debt Service Coverage Ratio or Liquidity Covenant for any Fiscal Year shall not constitute an Event of Default under the Master Indenture if the Corporation takes all action necessary to comply with the procedures set forth in the Master Indenture with respect to retaining a Consultant and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law; provided that the failure to achieve (i) a Debt Service Coverage Ratio of at least 1.00 for two consecutive Fiscal Years following Stabilization or (ii) a Debt Service Coverage Ratio of at least 1.00 and Days Cash on Hand below 300, or (iii) 150 Days Cash on Hand as of any Testing Date, each such failure shall constitute an Event of Default under the Master Indenture.

See Appendix C – "FORMS OF PRINCIPAL DOCUMENTS – Form of Master Indenture" for further description of the Debt Service Coverage Ratio and Liquidity Covenant, including a description of the actions required to be taken if such covenants are not met.

Liquidity Support Agreement

Pursuant to a Liquidity Support Agreement dated the Closing Date, by and between the Corporation, the Foundation, as Liquidity Provider, the Master Trustee and the Bond Trustee (the "Liquidity Support Agreement"), the Foundation will deposit the following moneys or letter of credit to the Liquidity Support Account:

(i) (x) On the Closing Date, the Liquidity Provider shall pay to the Master Trustee for deposit in the Liquidity Support Account the initial sum of \$5,000,000; or

(y) On the Closing Date, the Liquidity Provider shall, in satisfaction of the Support Obligation provide a letter of credit issued by entity whose obligations are rated in one of the two (2) highest rating categories by Standard & Poor's Ratings Services, or Moody's Investors Service and that has an expiration date of not earlier than December 31, 2026 (a "Letter of Credit"). The Liquidity Provider, at its discretion,

shall have the authority to substitute a Letter of Credit, if not initially provided, for all or a portion of the amounts in the Liquidity Support Account.

(ii) (x) Promptly within five (5) business days from the date of the Deficiency Notice (as defined below under “Draws on Liquidity Support Account”), the Liquidity Provider shall pay to the Master Trustee for deposit in the Liquidity Support Account a sum of \$5,000,000; or

(y) In the event the Liquidity Provider’s unrestricted cash and investments, as shown on the Liquidity Provider’s most recent annual audited or semi-annual unaudited financial statements, decrease to \$5,000,000 or less, the Liquidity Provider shall promptly pay to the Master Trustee for deposit in the Liquidity Support Account a sum of \$5,000,000. Failure of the Liquidity Provider to make the deposit required by this paragraph (ii) shall constitute an Event of Default thereunder.

(iii) Any and all funds transferred to the Liquidity Support Account by operation of the Resident Entrance Fee Guaranty Agreement from the Guaranty Account (as such term is defined in the Resident Entrance Fee Guaranty Agreement) held thereunder.

Draws on Liquidity Support Account. Moneys deposited in the Liquidity Support Account will be paid out or draws under the Letter of Credit shall be made from time to time by the Master Trustee as follows:

(i) *Working Capital Expenses.* If at any time there are insufficient funds on deposit in the Working Capital Fund held under the Bond Indenture (other than amounts on deposit therein previously committed to pay such costs and expenses or, then the Corporation will deliver a Funding Request to the Master Trustee to transfer moneys from the Liquidity Support Account to the Corporation for the payment of any such expenses to the extent of any funds therein.

(ii) *Payment of Principal and Interest on Series 2021 Bonds.* If funds under the Bond Indenture are insufficient to pay the principal of or interest on any series of Bonds as the same come due, and available moneys in the Working Capital Fund and the Operating Reserve Fund are insufficient for such purpose, the Bond Trustee will deliver a Funding Request in the amount required to complete such payment of principal and/or interest before any moneys in the applicable Reserve Account (as such term is defined in the Bond Indenture) established with respect to such series of Bonds held under the Bond Indenture are used. Notwithstanding the foregoing, no moneys drawn under the Support Obligation shall be used to pay interest on the Series 2021A Bonds, the Series 2021B Bonds or the Series 2021C Bonds until all moneys in the Interest Account of the Bond Fund under the Bond Indenture are exhausted.

(iii) *Deposit in the Operating Reserve Fund.* If funds held in the Operating Reserve Fund are less than Operating Reserve Requirement and Entrance Fees are not available to be deposited therein pursuant to the Bond Indenture, the Master Trustee shall complete and present a Funding Request in the amount required to bring the balance in the Operating Reserve Fund to Operating Reserve Requirement.

To the extent that the request for any draw on the Liquidity Support Account exceeds the amount then on deposit in the Liquidity Support Account, such draw shall be in the full amount then remaining available under the Liquidity Support Account.

Promptly upon making a draw in the full amount then remaining available under the Liquidity Support Account pursuant to the Liquidity Support Agreement, provided that the deposit of a subsequent \$5,000,000 as required has not yet occurred, the Master Trustee shall provide written notice to the Liquidity Provider that all funds thereunder have been expended and request the Liquidity Provider to make the

additional deposit of \$5,000,000 required pursuant to the Liquidity Support Agreement (the “Deficiency Notice”).

Corporation’s Repayment Obligation. The Corporation’s obligation to repay the Liquidity Provider for any draws on the Support Obligation (the “Corporation’s Repayment Obligation”) will constitute Subordinated Indebtedness of the Corporation (as defined in the Master Indenture), and is subject to the provisions described below.

No payment on the Corporation’s Repayment Obligation shall be made by the Corporation, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Corporation’s Repayment Obligation, unless the Obligated Group Agent delivers an Officer’s Certificate to the Master Trustee certifying that the following conditions were satisfied as of the end of the month immediately preceding the date of the proposed payment: (A) all of the Series 2021B Bonds and the Series 2021C Bonds have been fully redeemed or otherwise paid in full; (B) the percentage of Occupied Independent Living Units shall be equal to or exceed 85% for the four immediately preceding consecutive Occupancy Quarters; (C) the Corporation has complied with the Cumulative Cash Loss, the Occupancy Requirements and the Marketing Requirements covenants as set forth in the Loan Agreement as of the four immediately preceding consecutive Testing Dates; (D) the Corporation and the Obligated Group have complied with (i) all covenants under the Master Indenture, including, the Debt Service Ratio Covenant set forth in the Master Indenture (and accordingly, the Historical Debt Service Coverage Ratio was equal to or greater than the Debt Service Coverage Ratio Requirement), as of the four immediately preceding consecutive Testing Dates and (ii) the Liquidity Covenant, set forth in the Master Indenture (and accordingly, the Obligated Group had no less than 200 Days’ Cash on Hand) as of the two immediately preceding consecutive Testing Dates; (E) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement; and (F) there is no deficiency in the Debt Service Reserve Account, if any, created with respect to any the Bonds.

The Corporation agrees to repay to the Liquidity Provider any amounts drawn on the Liquidity Support Account as soon as permitted to do so, with interest at the rate of six percent (6%) per annum calculated on the basis of a 360-day year and the actual number of days elapsed. All payments thereunder shall be applied first to interest and then to principal.

Term. The Support Agreement will be in full force and effect from the closing date of the Bonds until the earliest of the date when (i) the Support Obligation has been reduced to zero, (ii) the Support Obligation has been fully satisfied such that the Liquidity Provider has no further obligation thereunder to transfer funds to the Liquidity Support Account, (iii) the date all of the Series 2021 Bonds are paid in full or are deemed to be paid in full in accordance with the Bond Indenture or (iv) the Liquidity Provider becomes a Member of the Obligated Group.

The Support Obligation will be reduced to zero dollars (\$0) and all funds or the letter of credit released when the Corporation delivers to the Master Trustee, the Bond Trustee and the Liquidity Provider an Officer’s Certificate certifying that: (i) the Series 2021B Bonds and the Series 2021C Bonds are no longer Outstanding; (ii) the percentage of Occupied Independent Living Units shall be equal to or exceed 85% for the four immediately preceding consecutive Occupancy Quarters; (iii) the Corporation has complied with the Cumulative Cash Loss, the Occupancy Requirements and the Marketing Requirements covenants as set forth in the Loan Agreement as of the four immediately preceding consecutive Testing Dates; (iv) the Corporation and the Obligated Group have complied with (A) all covenants under the Master Indenture, including, the Debt Service Ratio Covenant set forth in the Master Indenture (and accordingly, the Historical Debt Service Coverage Ratio was equal to or greater than the Debt Service Coverage Ratio

Requirement), as of the four immediately preceding consecutive Testing Dates (except as provided in subparagraph (B) hereafter and (B) the Liquidity Covenant, set forth in the Master Indenture (and accordingly, the Obligated Group had no less than 200 Days' Cash on Hand) as of the two immediately preceding consecutive Testing Dates; and (v) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement.

Resident Entrance Fee Guaranty Agreement

Pursuant to an Entrance Fee Guaranty Agreement dated the Closing Date, by and between the Corporation, the Foundation, as Guarantor, the Master Trustee and the Bond Trustee (the "Guaranty Agreement"), the Foundation will provide a Letter of Credit or cash deposit to be held in a Guaranty Account with the Master Trustee in an amount equal to \$2,850,000 (the "Guaranty Obligation").

Guaranty of Occupancy Requirements. The Foundation agrees to pay the amounts requested by the Corporation if, on any Testing Date, the Corporation fails to satisfy the Occupancy Requirements set forth in the Loan Agreement. At such time, the Master Trustee will: (A) draw from the moneys deposited in the Guaranty Account or make a draw on the Letter of Credit in an amount that is equal to the product of (x) the number by which the Occupancy Requirement exceeds actual number of Occupied Independent Living Units, multiplied by (ii) \$475,000, up to the maximum amount of the Guaranty Obligation; and (B) deposit such amount with the Bond Trustee into the Entrance Fee Fund under the Bond Indenture.

Corporation's Guaranty Repayment Obligation. The Corporation's obligation to repay the Foundation for any draws on the Guaranty Obligation made thereunder (the "Corporation's Guaranty Repayment Obligation") will constitute Subordinated Indebtedness of the Corporation, as defined in the Master Indenture, and is subject to the provisions described below.

No payment on the Corporation's Guaranty Repayment Obligation shall be made by the Corporation, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Corporation's Guaranty Repayment Obligation, unless the Obligated Group Agent delivers an Officer's Certificate to the Master Trustee certifying that the following conditions were satisfied as of the end of the month immediately preceding the date of the proposed payment: (A) All of the Series 2021B Bonds and the Series 2021C Bonds have been fully redeemed or otherwise paid in full; (B) the Corporation has complied with the Cumulative Cash Loss Covenant, the Occupancy Requirement and the Marketing Requirements covenant as set forth in the Loan Agreement as of the four immediately preceding consecutive Testing Dates; (C) the Corporation and the Obligated Group have complied with (i) all covenants under the Master Indenture, including, the Debt Service Ratio Covenant set forth in the Master Indenture (and accordingly, the Historical Debt Service Coverage Ratio was equal to or greater than the Debt Service Coverage Ratio Requirement), as of the four immediately preceding consecutive Testing Dates and (ii) the Liquidity Covenant, set forth in the Master Indenture (and accordingly, the Obligated Group had no less than 200 Days' Cash on Hand) as of the two immediately preceding consecutive Testing Dates; and (D) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement.

The Corporation agrees to repay to the Guarantor any amounts drawn on the Guaranty Account as soon as permitted to do so, with interest at the rate of six percent (6%) per annum calculated on the basis of a 360-day year and the actual number of days elapsed. All payments thereunder shall be applied first to accrued and unpaid interest and then to principal.

Term. The Guaranty will be in full force and effect from the closing date of the Bonds until the earliest of the date when (i) the Guaranty Obligation has been reduced to zero as described below, (ii) the Guaranty Obligation has been fully satisfied such that the Guarantor has no further obligation thereunder to transfer funds to the Guaranty Account, (iii) the date all of the Series 2021 Bonds are paid in full or are deemed to be paid in full in accordance with the Bond Indenture or (iv) the Guarantor becomes a Member of the Obligated Group.

The Guaranty Obligation will be reduced to zero dollars (\$0) and all funds or the letter of credit released when the Corporation delivers to the Master Trustee, the Bond Trustee and the Guarantor an Officer's Certificate certifying that: (i) the Corporation has complied the Marketing Requirements covenant as set forth in the Loan Agreement as of the four immediately preceding consecutive Testing Dates; and (ii) no Event of Default has occurred and is continuing under the Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement.

Upon the reduction of the Guaranty Obligation to zero dollars (\$0) all remaining funds or the letter of credit released under the Guaranty Agreement shall be transferred by the Master Trustee and deposited by the Master Trustee to the Liquidity Support Account (as such term is defined on the Liquidity Support Agreement) held by the Master Trustee pursuant to the Liquidity Support Agreement.

Certain Amendments to Indenture or Loan Agreement; Certain Amendments to Payment Provisions after an Event of Default With Consent of 80% of Holders

In general, the Bond Indenture permits amendments to be made thereto or to the Loan Agreement (except for certain amendments that do not require Bondholder consent) only with the consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding. Except as described in the following sentence, the Bond Indenture further provides that so long as no Event of Default shall have occurred and be continuing, no amendment shall be made to the Bond Indenture or Loan Agreement, without the consent of the Holders of 100% of the Bonds Outstanding which are affected by such amendment, that (i) affects the payment provisions of the Bonds, including extending the time for payment or reducing or modifying the amount of principal, interest or redemption price payable on the Bonds, (ii) gives preference or priority of one Bond over another, or (iii) reduces the percentages of Holders of the Bonds required to consent to an amendment to the Bond Indenture or the Loan Agreement. **The Bond Indenture further provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clause (i) above may be made with the consent of the Holders of not less than 80% of the principal amount of the Bonds Outstanding which are affected by such amendment; provided, however, that no such amendment made during the continuance of an Event of Default shall result in any preference or priority of any Bond over any other Bond and no such amendment shall result in a disproportionate change, reduction or modification with respect to any Bond.** See Appendix C – “FORMS OF PRINCIPAL DOCUMENTS – Indenture of Trust – Supplements.”

THE SERIES 2021 BONDS

The following is a summary of certain provisions of the Series 2021 Bonds. Reference is made to the Series 2021 Bonds themselves for the complete text thereof and to the Bond Indenture, and the discussion herein is qualified by such reference.

General

The Series 2021 Bonds shall be issued in fully registered form as provided in the Bond Indenture, and shall be payable as to interest on July 1, 2021 and thereafter on January 1 and July 1 of each year during the term of the Series 2021 Bonds. Interest on the Series 2021 Bonds shall be calculated based on a 360 day year of twelve 30-day months. The Series 2021 Bonds shall be dated their date of issuance, except with respect to Series 2021 Bonds authenticated and delivered on and after the first Bond Payment Date (i.e., upon an exchange or transfer of Series 2021 Bonds), which Series 2021 Bonds shall be dated (i) as of the Bond Payment Date next preceding the date of their authentication or as of the date of their authentication if authenticated on a Bond Payment Date, or (ii) if on the date of their authentication payment of interest thereon is in default, as of the date to which interest has been paid. Interest on all Series 2021 Bonds initially delivered shall accrue from their date of issuance.

The Series 2021 Bonds are issuable in the form of fully registered bonds in denominations of \$5,000 or any integral thereof. The Series 2021 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2021 Bonds. Individual purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form. Purchasers of beneficial interests in the Series 2021 Bonds will not receive certificates representing their interest in the Series 2021 Bonds that they purchase. Except as provided in the Bond Indenture, all of the Series 2021 Bonds shall be registered by the Bond Trustee in the name of Cede & Co., as nominee of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2021 Bonds, references herein to the Bondholders or registered owners shall mean Cede & Co. rather than the beneficial owners of the Series 2021 Bonds. See “Book-Entry System” below.

Both principal of, premium, if any, and interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment of principal and interest, is tender for the payment of public and private debts. Interest on the Series 2021 Bonds shall be payable by check drawn upon the Paying Agent and mailed to the registered Holders of such Bonds at the addresses of such Holders as they appear on the books of the Registrar on June 15 and December 15 (each, a “Record Date”), provided, however, that interest may be paid by wire transfer to the Holder of at least \$500,000 aggregate principal amount of Series 2021 Bonds to the address designated by such Holder to the Paying Agent at or prior to the Record Date for such payment. Principal of and premium, if any, on the Series 2021 Bonds shall be paid when due upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. In the event of a default by the Issuer in the payment of interest due on a Series 2021 Bond on a Bond Payment Date, such defaulted interest will be payable to the Person in whose name such Series 2021 Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Registrar to the registered owners of Series 2021 Bonds not less than ten (10) days preceding such special record date.

So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, such payments shall be made to DTC or its nominee by wire or bank transfer in immediately available funds. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC participants and indirect participants.

Transfer, Registration and Exchange

Series 2021 Bonds, upon presentation and surrender thereof to the Registrar together with written instructions satisfactory to the Registrar, duly executed by the registered Holder or its attorney duly authorized in writing, may be exchanged for an equal aggregate face amount of fully registered Series 2021 Bonds with the same interest rate and maturity of any other authorized denominations. All Series 2021 Bonds issued under the Bond Indenture shall be negotiable, subject to the provisions for registration and transfer thereof contained in the Bond Indenture or in the Series 2021 Bonds. So long as any Series 2021 Bonds are Outstanding, the Issuer shall cause to be maintained at the offices of the Registrar books for the registration and transfer of Series 2021 Bonds, and shall provide for the registration and transfer of any Series 2021 Bond under such reasonable regulations as the Issuer or the Registrar may prescribe. The Registrar shall act as bond registrar for purposes of exchanging and registering Series 2021 Bonds in accordance with the provisions of the Bond Indenture.

Each Series 2021 Bond shall be transferable only upon the registration books maintained by the Registrar, by the Holder thereof in person or by his attorney duly authorized in writing, upon presentation and surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the Issuer shall cause to be executed and upon the written request of the Issuer, the Authenticating Agent shall authenticate and deliver, in the name of the transferee, one or more new Series 2021 Bonds of the same aggregate face amount, maturity and rate of interest as the surrendered Series 2021 Bond, as fully registered Series 2021 Bonds only.

As to any Series 2021 Bond, the Person in whose name such Series 2021 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal or interest on any Series 2021 Bond shall be made only to or upon the written order of the registered Holder thereof. Such payment shall be valid and effectual to satisfy and discharge the liability upon such Series 2021 Bond to the extent of the amount so paid.

In connection with any such exchange or transfer of Series 2021 Bonds the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Registrar an amount sufficient to pay any tax, or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Issuer nor the Registrar shall be obligated to (i) issue, exchange or transfer any Series 2021 Bond during the period of fifteen days preceding any Bond Payment Date, or (ii) transfer or exchange any Series 2021 Bond which has been or is being called for redemption in whole or in part.

Notwithstanding the above, so long as the Series 2021 Bonds are held under a book-entry system, transfers and exchanges of beneficial ownership of the Series 2021 Bonds will be effected on the books of DTC pursuant to its rules and procedures.

Book-Entry System

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of each series of the Series 2021 Bonds and will be deposited with DTC.

DTC 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 issues, corporate and municipal debt issues, and money market instruments 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 a Standard & Poor’s rating of AA+. 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.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“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 Series 2021 Bonds 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 Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds 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 Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds 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.

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 Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee

holding the Series 2021 Bonds 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 registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, redemption price and interest on the Series 2021 Bonds 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 the Issuer or the Bond 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 Series 2021 Bonds 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 nor its nominee, the Bond Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price or interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Bond 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.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Issuer or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Series 2021 Bonds depository). In that event, Series 2021 Bond certificates will be printed and delivered.

THE ISSUER, THE CORPORATION, THE BOND TRUSTEE, THE PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2021 BONDS (I) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC,

NONE OF THE ISSUER, THE CORPORATION, THE BOND TRUSTEE, THE PAYING AGENT OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2021 BONDS WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, ANY SERIES 2021 BONDS, (III) THE DELIVERY OF ANY NOTICE BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS, OR (V) ANY OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

Redemption of the Series 2021 Bonds

Optional Redemption

Optional Redemption of Series 2021A Bonds. The Series 2021A Bonds maturing on or after July 1, 20__ are subject to redemption at the option of the Corporation prior to maturity on and after July 1, 2026, in whole or in part at any time by payment of a Redemption Price equal to the principal amount of each Series 2021A Bond called for redemption, plus the applicable premium as set forth below, plus interest accrued to the date fixed for redemption.

<u>Redemption Period</u>	<u>Redemption Premium</u>
July 1, 2026 – June 30, 2027	104%
July 1, 2027 – June 30, 2028	103%
July 1, 2028 – June 30, 2029	102%
July 1, 2029 – June 30, 2030	101%
July 1, 2030 and thereafter	100%

No Optional Redemption of Series 2021B Bonds and the Series 2021C Bonds. The Series 2021B Bonds and Series 2021C Bonds are not subject to optional redemption prior to their respective maturity dates.

Sinking Fund Account Redemption of Series 2021A Bonds

The Series 2021A Bonds are subject to mandatory redemption and shall be redeemed on July 1 in the years set forth below (the “Sinking Fund Account Retirement Dates”), in the amount of the unsatisfied portion of the corresponding Sinking Fund Account Requirement for Series 2021A Bonds of the same maturity by payment from the Sinking Fund Account of a redemption price of the principal amount of such Series 2021A Bonds called for redemption plus payment from the Interest Account of the interest accrued to the date fixed for redemption but without premium, as follows:

Series 2021A Bonds

<u>Year</u>	<u>Amount</u>
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* Maturity

Entrance Fee Redemption of Series 2021B Bonds and the Series 2021C Bonds

The Series 2021B Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “Series 2021B Entrance Fee Redemption Date”) at the principal amount thereof being redeemed plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021B Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021B Bonds on any Series 2021B Entrance Fee Redemption Date shall not constitute an Event of Default under the Bond Indenture or under the Loan Agreement. Notwithstanding the foregoing, no Series 2021B Entrance Fee Redemption shall be made so long as any Series 2021C Bonds remain Outstanding.

The Series 2021C Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “Series 2021C Entrance Fee Redemption Date”, and together with the Series 2021B Entrance Fee Redemption Dates, the “Entrance Fee Redemption Dates”) at the principal amount thereof plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021C Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021C Bonds on any Series 2021C Entrance Fee Redemption Date shall not constitute an Event of Default under the Bond Indenture or under the Loan Agreement.

Mandatory Redemption Upon Event of Taxability

The Series 2021 Bonds are subject to redemption in whole as soon as practicable after the occurrence of an Event of Taxability (as defined below) and the receipt by the Trustee of written notice from any bondholder or the Corporation of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to (i) 103% of the principal amount of the Series 2021A Bonds to be redeemed, if the Determination of Taxability was the result of any action or inaction on the part of the Corporation, or (ii) 100% of the principal amount of the Series 2021A Bonds to be redeemed, if the Determination of Taxability was not result of any action or inaction on the part of the Corporation, plus in each case, accrued interest thereon to the Redemption Date.

“Event of Taxability” means

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Corporation shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof for Federal income tax purposes; or

(B) the delivery to the Corporation and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Corporation) to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof for Federal income tax purposes.

Purchase in Lieu of Redemption of Series 2021 Bonds

All or any number of the Series 2021 Bonds are subject to call for purchase in lieu of redemption at the option of the Corporation prior to maturity, in whole or in part on any date on which such Series 2021 Bond would be subject to optional redemption as described above under “Optional Redemption,” by payment of a purchase price equal to the applicable redemption price of such Series 2021 Bond if such Bonds had been called for redemption on such purchase date, and if so purchased, such Series 2021 Bonds shall, except as otherwise provided in the Bond Indenture, continue to be Outstanding under the Bond Indenture for all purposes and shall continue to be subject to optional redemption as provided in the Bond Indenture.

Selection of Series 2021 Bonds to be Redeemed

In the event that redemption of the Series 2021 Bonds is made in an amount less than the amount of all Series 2021 Bonds having the same maturity, all Series 2021 Bonds having the same maturity shall be redeemed pro rata. In the event of the redemption of less than all of the Series 2021 Bonds stated to mature on different dates, the principal amount of such Series 2021 Bonds to be redeemed shall be selected by the Institution in writing to the Trustee or, if no such selection is made, shall be applied in inverse order of maturity of the Outstanding Series 2021 Bonds to be redeemed and by lot within a maturity.

Effect of Call for Redemption

If, on the Redemption Date, moneys for the redemption of all the Series 2021 Bonds or portions thereof to be redeemed, together with interest thereon to the Redemption Date, shall be held by the Trustee so as to be available therefor on such date, the Series 2021 Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2021 Bonds or portions thereof shall no longer be Outstanding under the Bond Indenture or be secured by or be entitled to the benefits of this Indenture except with respect to payment of the Redemption Price thereof and accrued interest thereon to the Redemption Date. If such moneys shall not be so available on the Redemption Date, such Series 2021 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Indenture.

Notice of Redemption

Notice shall be given by mail at least thirty (30) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2021 Bonds. The Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Issuer stating: (i) the Series 2021 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

Bond Indenture Events of Default

Each of the following is an “Indenture of Trust Event of Default” under the Bond Indenture:

(a) A default in the due and punctual payment of any interest or any principal, Sinking Fund Payment or Redemption Price of any Series 2021 Bond or any Series of Additional Bonds, whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration, or any other amounts due under the Bond Indenture or the other Bond Documents or any other bond documents entered into in connection with any Series of Additional Bonds; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Bond Indenture or in any Series of Bonds and the continuance thereof for a period of thirty (30) days after written notice given by the Trustee or by the Owners of not less than fifty percent (50%) of the principal amount of the all of the Bonds then Outstanding; or if such default cannot be cured within thirty (30) days, but the Issuer is proceeding diligently to cure such default, then the Issuer shall be permitted an additional ninety (90) days within which to remedy the default; or

(c) The occurrence and continuation of an Event of Default under the Loan Agreement; or

(d) The occurrence and continuation of an Event of Default under the Building Loan Mortgage or the Project Loan Mortgage; or

(e) The occurrence and continuation of an Event of Default under the Master Indenture or any Obligation issued thereunder.

Acceleration; Annulment of Acceleration

Upon the occurrence and continuation of an Event of Default under the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds, all Series of Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee may, or upon the direction of not less than fifty-one percent (51%) of the principal amount of all of the Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Corporation, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the respective Series of Bonds or in the Bond Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the all of the Bonds Outstanding an amount equal to the total principal amount of all such Bonds Outstanding, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the Corporation on behalf of the Corporation all unpaid Debt Service Payments payable by the Corporation under the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds to be immediately due and payable. Upon such declaration the same shall become and be immediately due and payable, and the Trustee shall immediately first apply any moneys on deposit in the Principal Account and Interest Account, as appropriate, of the Bond Fund.

At any time after the principal of the Bonds Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Indenture, the Trustee may annul such declaration and its consequences with respect to any Series of Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all

matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding Series of Bonds; (ii) sufficient moneys shall be available to pay the fees, charges and expenses of the Trustee and Paying Agents pursuant to the Bond Indenture; (iii) all other amounts then payable by the Issuer thereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Series of Bonds then due only because of such declaration) shall have been remedied. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

Series 2021 Bonds
Plus Original Issue Discount/Premium
Equity Contribution
Initial Entrance Fees

Total Sources of Funds

USES OF FUNDS

Construction Account Deposit
Payment of Pre-Finance Development Loan
Debt Service Reserve Fund Deposit
Operating Reserve Fund Deposit
Capitalized Interest on Series 2021 Bonds
Working Capital Fund
Costs of Issuance⁽¹⁾

Total Uses of Funds

- (1) Includes legal fees, accounting fees, underwriter's discount, feasibility consultant fee, trustee fees, and other costs associated with the issuance of the Series 2021 Bonds.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2021 Bonds, including the principal of the Series 2021A Bonds to be redeemed by mandatory sinking fund redemption and principal of Series 2021B Bonds and the Series 2021C Bonds expected to be redeemed from Initial Entrance Fees as described herein under “THE SERIES 2021 BONDS – Entrance Fee Redemption of Series 2021B Bonds and the Series 2021C Bonds.”

Year	<u>Series 2021A Bonds</u>		<u>Series 2021B Bonds</u>		<u>Series 2021C Bonds</u>		<u>Total Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
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2047							
2048							
2049							
2050							
2051							
2052							
2053							
2054							
2055							
2056							
Total							

RISK FACTORS

Purchase of the Series 2021 Bonds involves a significant degree of risk. In order to identify risk factors and make an informed investment decision as to whether the Series 2021 Bonds are an appropriate investment, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto). Certain of the risks associated with the purchase of the Series 2021 Bonds are described below. The following list of possible factors, while not setting forth all the factors which must be considered, contains some of the factors which should be considered prior to purchasing the Series 2021 Bonds. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. Prospective purchasers of the Series 2021 Bonds should give careful consideration to the matters referred to in the following summary. Such summary should not be considered exhaustive, but rather informational only.

Uncertainty of Revenues

Loan payments received by the Bond Trustee from the Obligated Group pursuant to the terms of the Loan Agreement and the Obligated Group pursuant to Series 2021 Obligations. The Issuer has no obligation to pay the Series 2021 Bonds except from loan payments derived from the Loan Agreement and from the Obligated Group pursuant to Series 2021 Obligations.

The Series 2021 Bonds, together with interest and premium, if any, thereon, will be limited obligations of the Issuer and will never constitute an indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation and will never constitute or give rise to a pecuniary liability of the Issuer or the State or any political subdivision thereof or a charge against the general credit or taxing powers, if any, of any of them. The Issuer has no taxing power.

Under the Loan Agreement, which the Issuer has assigned to the Bond Trustee, the Corporation will be required to make loan payments to the Bond Trustee in amounts sufficient to enable the Bond Trustee to pay the principal of, premium, if any, and interest on the Series 2021 Bonds. Such loan payments are, however, anticipated to be derived principally from operation of Fountaingate Gardens and investment earnings. Profitable operation of Fountaingate Gardens depends in large part on achieving and maintaining certain occupancy levels throughout the term of the Series 2021 Bonds. However, no assurance can be made that the revenues derived from the operation of Fountaingate Gardens will be realized by the Obligated Group in the amounts necessary, after payment of operating expenses of Fountaingate Gardens, to pay maturing principal of, premium, if any, and interest on the Series 2021 Bonds and the other indebtedness of the Obligated Group.

The Corporation may fail to meet the Cumulative Cash Loss Covenant, the Debt Service Coverage Ratio Covenant, the Liquidity Covenant, the Marketing Covenant or the Occupancy Covenant described under “SECURITY FOR THE SERIES 2021 BONDS – Loan Agreement Covenants, – Master Indenture Covenants.” Failure to meet such requirements under certain circumstances will require the Corporation to retain a Consultant to prepare a plan and recommendations as described under “SECURITY FOR THE SERIES 2021 BONDS – Master Indenture Covenants.” While these covenants are intended to require the Corporation to take corrective action in order to avert a payment default, no assurance can be given that such corrective actions, if required, will be successful.

If an Event of Default occurs under the Bond Indenture (which includes a cross-default to Events of Default under the Loan Agreement), the Bond Trustee may declare an acceleration or take any of the remedies provided in such documents, as described under “THE SERIES 2021 BONDS – Acceleration; Annulment of Acceleration.” Following an acceleration there may be no moneys in the funds held by the Bond Trustee under the Bond Indenture for payment of the Series 2021 Bonds. See “THE SERIES 2021

BONDS – Indenture Events of Default” and Appendix C hereto for a description of the events of default and the remedies available to the Bond Trustee under the Bond Indenture and the Loan Agreement.

COVID-19

The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide.

The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added “disease outbreak” to the definition of “disaster” (which already includes “epidemic”) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020. Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same. The Suffolk County Executive declared a local state of emergency on March 12, 2020.

The Governor issued the “New York State on PAUSE” executive order, effective March 22, 2020, that directed all non-essential businesses statewide to close in-office personnel functions and banned all non-essential travel and gatherings. All schools and college facilities were closed for the remainder of the 2019-2020 academic year. All PAUSE restrictions and closures were extended until May 28, 2020, unless a region was able to meet the criteria outlined by the Governor to protect public health upon the reopening of specified businesses and activities. Suffolk County entered Phase IV of its reopening plans on July 8, 2020. Following a decline in COVID-19 cases during the summer of 2020, the number of people testing positive in the County, State and throughout much of the country has recently increased. The administration of COVID-19 vaccines in New York has begun for eligible groups.

Although the potential impact of COVID-19 on the Obligated Group’s operations or its future operating revenues and expenses cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the Obligated Group’s operations and its operating revenues and expenses, and on the State, national, and global economies. For example, an outbreak at the Facility could result in a temporary shutdown or diversion of Residents, and/or could result in a lower census, including difficulty showing the common areas and units to prospective residents..

Construction Risks

Construction of the Facility is subject to the usual risks associated with construction projects including but not limited to delays in issuance of required building permits for the Facility or other necessary approvals or permits, strikes, shortages of materials and adverse weather conditions. Such events could result in delaying occupancy of the Facility and thus adversely impact the revenue of the Corporation. It is anticipated that the proceeds from the sale of the Series 2021 Bonds, together with anticipated investment earnings thereon, will be sufficient to complete the construction and equipping of the Facility based upon the guaranteed maximum price obtained from the construction manager. However, cost overruns for a project of this magnitude may occur due to change orders and other factors. In addition, under the construction contracts, the date of substantial completion may be extended by reason of changes authorized by the Corporation, delays due to strikes, fire or other casualty or orders or regulations of governmental authorities or other causes beyond the control of the construction manager. If the period of substantial completion is extended for any of the above designated reasons, the construction manager will not be responsible for liquidated damages for the period of excusable delays.

Furthermore, the construction of the Facility may be delayed as a result of COVID-19. It is possible that State and local regulators may prohibit contractors, construction crew members, and others from entering the site of the Facility for an extended period of time, and the length of any such delay is beyond the control of the Corporation. Given the nature of the virus, it cannot be predicted whether, and to what extent, construction may be delayed.

Failure to Achieve or Maintain Occupancy or Turnover

The economic feasibility of the Facility depends in large part upon the ability of the Corporation to attract sufficient numbers of residents to the Facility to maintain substantial occupancy and turnover of occupancy at the Facility throughout the term of the Series 2021 Bonds. The Corporation's ability to maintain a high level of occupancy depends to some extent on factors outside its control, such as the residents' right to terminate their Residency Agreements at any time, subject to the conditions provided in the Residency Agreements. If the Facility fails to maintain a high level of occupancy, there may be insufficient funds to pay debt service on the Series 2021 Bonds once the funds in the Bond Fund available to pay debt service have been spent. Moreover, if a substantial number of Independent Living Unit residents live beyond the anticipated life expectancies assumed by management, or if permanent transfers to the health center are substantially less than assumed by management, or if market changes require a reduction (or limit the rate of increase) in the amount of the Entrance Fees payable by new residents of the Facility, the amount of additional Entrance Fees would be reduced, with a consequent impairment of the Corporation's revenues. Such impairment would also result if the Corporation is unable to remarket independent living units becoming available when residents die, withdraw, or are permanently transferred to the health center.

Demand for services of the Facility could also be affected by many factors, including: (1) advances in scientific and medical technology; (2) increased or more effective competition from nursing home and long-term care facilities, assisted living facilities, and apartment complexes which target elderly residents now or hereafter located in the service area of the Facility; and (3) the effects of managed care.

Competition

The Facility may face competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing continuing care facilities in the geographic area served by the Facility. The Corporation will also face competition from other forms of retirement living, including condominiums, apartment buildings and facilities not specifically designed for the elderly, some of which may be designed to offer similar facilities but not necessary similar services, at lower prices, and continuing care at home contracts. In addition, there are few entry barriers to new competitors because some types of competing facilities do not require a Certificate of Authority under Article 46. The effect of these future competing facilities on the Facility may be material. See the Feasibility Study in Appendix B for additional detail on the Facility's competitors.

Forecast

The Corporation's financial forecast contained in the Feasibility Study attached hereto as Appendix B is based upon assumptions that were provided by, or reviewed with and approved by, Management of the Corporation. As stated in such financial forecast, events and circumstances frequently do not occur as expected, and there will usually be differences between the forecasted and actual results, and those differences may be material. In addition, the financial forecast only covers the five years ending December 31, 2025 and consequently does not cover the entire period during which the Series 2021 Bonds are expected to be outstanding. See the Feasibility Study included herein as Appendix B, which should be read in its entirety.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE, NO GUARANTEE CAN BE MADE THAT THE FINANCIAL FORECAST IN THE FEASIBILITY STUDY WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO, INCREASED COSTS, FAILURE BY MANAGEMENT OF THE CORPORATION TO EXECUTE ITS PLANS, LOWER THAN ANTICIPATED REVENUES, EMPLOYEE REGULATIONS, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN THE RETIREMENT LIVING AND HEALTH CARE INDUSTRIES AND GENERAL ECONOMIC CONDITIONS.

Nature of the Income of the Elderly

A large percentage of the monthly income of the residents of Fountaingate Gardens is expected to be fixed in amount, consisting of income derived from savings, pensions, investments and Social Security payments. If, due to inflation or otherwise, substantial increases in Monthly Service Fees are required to cover increases in operating costs and other expenses, residents may have difficulty paying or may be unable to pay increased fees. In addition, some residents may need to liquidate assets, such as by selling a home, to pay the required fees. The Obligated Group's inability to collect from residents the full amount of their payment obligations, either when due or at all, may jeopardize the ability of the Obligated Group to pay amounts due under the Loan Agreement and Series 2021 Obligations.

Sale of Personal Residences

It is anticipated that a number of prospective residents of the Facility will be required to sell their current homes to pay the Entrance Fee prior to occupancy or to meet other financial obligations under their residency agreements. If prospective residents encounter difficulties in selling their current homes due to local or national economic conditions affecting the sale of residential real estate, such prospective residents may not have sufficient funds to pay the Entrance Fee or to meet other financial obligations under their residency agreements, thereby causing a delay in scheduled occupancy of the Facility or the remarketing of vacated units, either of which would have an adverse impact on the revenues of the Obligated Group and the ability of the Obligated Group to pay amounts due under the Loan Agreement.

Professional Liability Claims and Losses

The operations of the Corporation, and thereby of the Facility, may also be affected by increases in the incidence of professional liability lawsuits against healthcare facilities in general, and increases in the dollar amount of patient damage recoveries, resulting in increased insurance premiums and an increased difficulty in obtaining malpractice insurance. The Corporation covenants to maintain professional liability insurance in the amount required under the Loan Agreement. It is not possible at this time to determine either the extent to which professional liability insurance coverage will be available to the Corporation or the premiums at which such coverage can be obtained.

Possible Changes in Tax Status

The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Corporation of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Corporation, and thereby the revenues of the Facility. The Corporation has obtained a letter from the Internal Revenue Service determining it is an exempt organization under Section 501(c)(3) of the Code. As an exempt organization, the Corporation is subject to a number of requirements affecting its operation. The failure of the Corporation to remain qualified as an

exempt organization could affect the funds available to the Corporation for payments under the Loan Agreement. Also, loss of exempt status as a Section 501(c)(3) organization may adversely affect the status of the Series 2021 Bonds for federal income tax purposes. Failure of the Corporation to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as the Facility, could cause interest on the Series 2021 Bonds to be included in the gross income of holders of the Series 2021 Bonds or former holders of the Series 2021 Bonds for federal income tax purposes. See “TAX MATTERS” herein.

The Series 2021 Bonds are subject to mandatory redemption in the event of an Event of Taxability as described herein under “THE SERIES 2021 BONDS – Mandatory Redemption Upon Event of Taxability” but no assurance can be given that the Corporation would have sufficient funds available to pay the applicable redemption price of the Series 2021 Bonds in the event of such a mandatory redemption.

Factors Affecting Real Estate Taxes

The Corporation pays real estate taxes to the local taxing authorities based upon the assessed value of its property. In the future, the tax assessment could be increased. All of the Corporation’s real estate is subject to full taxation.

Lien for Clean-up of Hazardous Materials

The federal Comprehensive Environmental Response, Compensation and Liability Act (the “Federal Superfund Act”) provides authority to the United States Environmental Protection Agency (the “EPA”) to arrange for response actions in the event of a release or substantial threat of release of hazardous substances and also imposes liability for certain response costs and damages on the present owner (among other parties) of a site of such release or threat of release. The Federal Superfund Act provides that all costs and damages for which a person is liable to the United States shall constitute a lien upon all real property belonging to such person which is subject to or affected by the response action. The federal lien is subject to the normal rules of priority.

Bankruptcy

The filing by, or against, the Corporation or the Issuer for relief under the United States Bankruptcy Code (the “Bankruptcy Code”) would have an adverse effect on the ability of the Bond Trustee and Bondholders to enforce their claim or claims to the security granted by the Loan Agreement, and their claim or claims to moneys owed them as unsecured claimants, if any. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Corporation or the Issuer, as applicable, and their respective property and as an automatic stay of any act or proceeding to enforce a lien against such property. Moreover, following such a filing the revenues and accounts receivable and other property of the Corporation or the Issuer, as applicable, acquired after the filing (and under some conditions prior to the filing) would not be subject to the liens and security interests created under the Loan Agreement. In addition, the bankruptcy court has the power to issue any order, process or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code; such a court order could require that the property of the Corporation or the Issuer, as applicable, including the Gross Receipts of the Corporation and proceeds thereof, be used for the benefit of the Corporation or the Issuer, as applicable, despite the lien and security interest of the Bond Trustee therein.

In a bankruptcy proceeding, the debtor could file a plan of reorganization which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The holders of the Series 2021 Bonds may only receive post-petition interest on the Series 2021 Bonds to the extent the value of their security

exceeds their claim. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan.

No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly in favor of junior creditors. More particularly, the Bankruptcy Code would permit the liquidation of the Corporation or the adoption of a reorganization plan for the Corporation or the Issuer, as applicable, even though such plan had not been accepted by (i) the holders of a majority in aggregate principal amount of the Series 2021 Bonds, if the plan is “fair and equitable” and does not discriminate unfairly against the holders of the Series 2021 Bonds as a class and is in the “best interest of the creditors,” which may mean that the holders of the Series 2021 Bonds are provided with the benefit of their original lien or the “indubitable equivalent”; or (ii) any holder of the Series 2021 Bonds if the holders of the Series 2021 Bonds, as a class, are deemed unimpaired under the plan.

In addition, if the bankruptcy court concludes that the holders of the Series 2021 Bonds have “adequate protection,” it may (1) substitute other security for the security subject to the lien of the Loan Agreement or (2) subordinate the lien of the holders of the Series 2021 Bonds to persons who supply credit to the Corporation after commencement of the case. In the event of the bankruptcy of the Corporation or the Issuer, any amount realized by the Bond Trustee or holders of the Series 2021 Bonds may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under then existing circumstances. Any transfers made to the holders of the Series 2021 Bonds or the Bond Trustee at or prior to the commencement of the case may be avoided and recaptured if such transfers are (a) avoidable by a judicial lien creditor who obtained its lien on the date the case commenced (regardless of whether such a creditor actually exists), (b) preferential or fraudulent or (c) voidable under applicable law by any actual unsecured creditor. The holders of the Series 2021 Bonds may also be subject to avoidance and recapture of post-petition transfers, turnover of property of the debtor which they, the Bond Trustee or a custodian hold and assumption, assignment or rejection of executory contracts.

Limitation of the Mortgaged Property

The Obligated Group has delivered the Mortgage on the Mortgaged Property to the Master Trustee to secure its obligations pursuant to the Master Indenture. In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on the Mortgaged Property under certain circumstances. All amounts collected upon foreclosure of the Mortgaged Property pursuant to the Mortgage will be used to pay certain costs and expenses incurred by, or otherwise related to, the foreclosure, the performance of the Master Trustee and/or the beneficiary under the Mortgage, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master Indenture. See also “Master Indenture” in Appendix C hereto.

In the event that the Mortgage is actually foreclosed, then, in addition to the customary costs and expenses of operating and maintaining Fountaingate Gardens, the party or parties succeeding to the interest of the Obligated Group in the Mortgaged Property (including the Master Trustee, if such party were to acquire the interest of the Obligated Group in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of Fountaingate Gardens, such as the Americans with Disabilities Act; costs associated

with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation and costs associated with paying any deferred or suspended debt service payments.

Fountaingate Gardens is generally suitable only for residential use and are specifically designed and constructed for senior adults and, except for one of the buildings, are not composed of general-purpose buildings. Additionally, Fountaingate Gardens presently requires licenses from the State to operate. Therefore, Fountaingate Gardens would not likely be suitable for industrial or commercial use and consequently, it would be difficult to find a buyer or lessee for Fountaingate Gardens, and, upon any default, the Master Trustee may not realize the amount of the outstanding Series 2021 Bonds from the sale or lease of Fountaingate Gardens in the event of sale of all or a portion of Fountaingate Gardens following an Event of Default.

Any valuation of Fountaingate Gardens is based on future projections of income, expenses, capitalization rates, and the availability of the partial or total property tax exemption. The Obligated Group has not made any representations to owners of the Series 2021 Bonds regarding the current market value of Fountaingate Gardens and has not an as-is or as-built appraisal of Fountaingate Gardens in connection with the issuance of the Series 2021 Bonds. Additionally, the value of Fountaingate Gardens will at all times be dependent upon many factors beyond the control of the Obligated Group, such as changes in general and local economic conditions, changes in the supply of or demand for competing properties in the same locality, and changes in real estate and zoning laws or other regulatory restrictions. A material change in any of these factors could materially change the value of Fountaingate Gardens. Any weakened market condition may also depress the value of Fountaingate Gardens. Any reduction in the market value of Fountaingate Gardens could adversely affect the security available to the owners of the Series 2021 Bonds. There is no assurance that the amount available upon foreclosure of Fountaingate Gardens after the payment of foreclosure costs will be sufficient to pay the amounts owing by the Obligated Group on the Series 2021 Bonds and other outstanding parity obligations.

In the event of foreclosure, a prospective purchaser of the Mortgaged Property may assign less value to the Mortgaged Property than the value of the Mortgaged Property while owned by the Obligated Group since such purchaser may not enjoy the favorable financing rates associated with the Series 2021 Bonds and other benefits. To the extent that buyers whose income is not tax-exempt may be willing to pay less for the Mortgaged Property than nonprofit buyers, then the resale of the Mortgaged Property after foreclosure may require more time to solicit nonprofit buyers interested in assuming the financing now applicable to the Mortgaged Property. In addition, there can be no assurance that the Mortgaged Property could be sold at 100 percent of its fair market value in the event of foreclosure. Although the Master Trustee will have available the remedy of foreclosure of the Mortgage in the event of a default (after giving effect to any applicable grace periods, and subject to any legal rights which may operate to delay or stay such foreclosure, such as may be applicable in the event of the Obligated Group's bankruptcy), there are substantial risks that the exercise of such a remedy will not result in recovery of sufficient funds to satisfy all the Obligated Group's obligations.

If an Event of Default occurs under the Master Indenture, it is uncertain that the Master Trustee or the Bond Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Series 2021 Bonds. In addition, the Obligated Group may issue additional Obligations under the Master Indenture from time to time in the future pursuant to the Master Indenture. If and when issued, such Obligations will be on a parity with Series 2021 Obligations and other outstanding parity obligations with respect to the benefits of the Master Indenture. In addition, should other entities become obligated under the Master Indenture in the future, the Obligated Group currently obligated under the Master Indenture would become jointly and severally liable for any Obligations issued on behalf of such other entities under the Master Indenture.

In the event that all of a portion of the Mortgaged Property is sold, then, in addition to the customary costs and expenses of operating and maintaining the Mortgaged Property, the party or parties succeeding to the interest of the Member of the Obligated Group in the Mortgaged Property (including the Master Trustee, if such party or parties were to acquire the interest of the Obligated Group or a Member in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Mortgaged Property, such as the Americans with Disabilities Act; and costs associated with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation.

Limited Assets of the Obligated Group

The Corporation is the sole member of the Obligated Group and the sole business of the Obligated Group consists of the ownership and operation of Fountaingate Gardens. Although it may seek donations from groups and individuals, the Corporation currently has no sources of funds if revenues from operation of Fountaingate Gardens are not sufficient to cover expenses, including debt service on the Series 2021 Bonds and its other indebtedness.

Additions to and Withdrawals from the Obligated Group

Upon satisfaction of certain conditions in the Master Indenture, other entities can become Members of the Obligated Group and existing Members may withdraw from the Obligated Group; provided that the Master Indenture prohibits the Corporation from withdrawing from the Obligated Group. See also “Master Indenture” in Appendix C hereto. The Obligated Group currently has no plans to add any additional Members to the Obligated Group. However, if and when new Members are added, or one or more Members withdraw, the Obligated Group’s financial situation and operations will likely be altered.

Additional Indebtedness

The Master Indenture permits the Obligated Group to incur Additional Indebtedness which may be secured *pari passu* with Series 2021 Obligations and the parity obligations. Any such Additional Indebtedness would be entitled to share ratably with the holders of Series 2021 Obligations and the holders of parity obligations in any moneys realized from the exercise of remedies in the event of a default under the Master Indenture. The issuance of such Additional Indebtedness could reduce the Historical Debt Service Coverage Ratio and could impair the ability of the Obligated Group to maintain its compliance with certain covenants described in the Master Indenture in Appendix C hereto. There is no assurance that, despite compliance with the conditions upon which such Additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligated Group to make the necessary payments to repay Series 2021 Obligations and the parity obligations may not be materially adversely affected upon the incurrence of Additional Indebtedness.

At the time of the issuance of the Series 2021 Bonds, the Series 2021 Obligations will constitute approximately 100% of the Obligated Group’s Outstanding parity obligations. See “ANNUAL DEBT SERVICE REQUIREMENTS” herein.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligated Group and any future Member of the Obligated Group under Series 2021 Obligations will be limited to the same extent 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 accounts 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, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Obligations, including Series 2021 Obligations pledged under the related Bond Indenture as security for the related series of Bonds.

The obligations described herein of the Obligated Group to make payments of debt service on Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and by general equitable principles and (2) such payments (i) are requested with respect to payments on any Obligations issued by a Member other than the Member from which such payment is requested, issued for a purpose which is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or issued for the benefit of a Member of the Obligated Group which is not a Tax-Exempt Organization; (ii) 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) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (iv) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (ii) and (iii) above with respect to the Obligations cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Obligation, 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 payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. 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 Series 2021 Obligations may be voided by a trustee in bankruptcy in the event of bankruptcy of a Member of the Obligated Group, or by third-party creditors in an action brought pursuant to New York fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under New York fraudulent conveyance statutes and common law, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or New York fraudulent conveyance statutes, or the guarantor is undercapitalized.

Application by courts of the tests of "insolvency," "reasonably equivalent value" and "fair consideration" has resulted in a conflicting body of case law. It is possible that, in an action to force a Member of the Obligated Group to pay debt service on an Obligation for which it was not the direct beneficiary, a court might not enforce such a payment in the event it is determined that such Member is analogous to a guarantor of the debt of the Obligated Group who directly benefited from the borrowing and that sufficient consideration for such Member's guaranty was not received and that the incurrence of such Obligation has rendered or will render the such Member insolvent.

Pursuant to the Master Indenture, each Member of the Obligated Group that pledges its Gross Revenues under the Master Indenture covenants and agrees that, if an Event of Default involving a failure to pay any installment of interest or principal on an Obligation should occur and be continuing, it will deposit daily the proceeds of its Gross Revenues. Such deposits will continue daily until such default is cured.

It is unclear whether the covenant to deposit the proceeds of Gross Revenues with the Master Trustee is enforceable. In light of the foregoing and of questions as to limitations on the effectiveness of the security interest granted in such Gross Revenues, as described above, no opinion will be expressed by counsel to the Corporation as to enforceability of such covenant with respect to the required deposits.

Prepayment Risks

The Series 2021 Bonds may be required to be paid prior to their stated maturity upon redemption (as described under “THE SERIES 2021 BONDS – Redemption of the Series 2021 Bonds” herein) and upon an acceleration following the occurrence of certain events of default under the Bond Indenture. If the Series 2021 Bonds become due upon an acceleration, interest on the Series 2021 Bonds shall cease to accrue on the date of the accelerated payment and no premium would be payable. There can be no assurance that there would be sufficient funds available to pay the principal of and interest on the Series 2021 Bonds.

Enforceability of Remedies

The remedies available to the Bond Trustee, the Issuer and the Bondholders upon an Event of Default under the Bond Indenture and the Loan Agreement are in many respects dependent upon judicial actions which are, in turn, often subject to discretion and delay. Under existing constitutional and statutory laws and judicial decisions, including specifically the Federal Bankruptcy Code, a particular remedy specified by the Bond Indenture and the Loan Agreement may not be readily available or, if available, may be limited or subject to substantial delay. The various legal opinions to be delivered concurrently with the issuance and delivery of the Series 2021 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally.

No Obligation of The State

THE SERIES 2021 BONDS ARE NOT OBLIGATIONS OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. THE SERIES 2021 BONDS ARE SPECIAL OBLIGATIONS PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THIS OFFICIAL STATEMENT. THE ISSUER HAS NO TAXING POWER.

Failure to Provide Ongoing Disclosure

The Corporation will enter into a Continuing Disclosure Agreement, pursuant to Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”) in connection with the issuance of the Series 2021 Bonds. Failure to comply with the Continuing Disclosure Agreement and the Rule in the future may adversely affect the liquidity of the Series 2021 Bonds and their market price in the secondary market. See “CONTINUING DISCLOSURE.”

Lack of Marketability for the Series 2021 Bonds

The Underwriter is not obligated to make a market for the Series 2021 Bonds and there can be no assurance that there will be a secondary market for the Series 2021 Bonds. The absence of such a market for the Series 2021 Bonds could result in investors not being able to resell the Series 2021 Bonds should they need or wish to do so.

Certain Amendments to Indenture or Loan Agreement; Certain Amendments to Payment Provisions after an Event of Default With Consent of 80% of Holders

In general, the Bond Indenture permits amendments to be made thereto or to the Loan Agreement (except for certain amendments that do not require Bondholder consent) only with the consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding. Except as described in the following sentence, the Bond Indenture further provides that so long as no Event of Default shall have occurred and be continuing, no amendment shall be made to the Bond Indenture or Loan Agreement, without the consent of the Holders of 100% of the Bonds Outstanding which are affected by such amendment, that (i) affects the payment provisions of the Bonds, including extending the time for payment or reducing or modifying the amount of principal, interest or redemption price payable on the Bonds, (ii) gives preference or priority of one Bond over another, or (iii) reduces the percentages of Holders of the Bonds required to consent to an amendment to the Bond Indenture or the Loan Agreement. **The Bond Indenture further provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clause (i) above may be made with the consent of the Holders of not less than 80% of the principal amount of the Bonds Outstanding which are affected by such amendment; provided, however, that no such amendment made during the continuance of an Event of Default shall result in any preference or priority of any Bond over any other Bond and no such amendment shall result in a disproportionate change, reduction or modification with respect to any Bond.** See Appendix C – “FORMS OF PRINCIPAL DOCUMENTS – Indenture of Trust – Supplements.”

This provision is intended to provide the Corporation flexibility if the need arises to restructure its indebtedness, including the Series 2021 Bonds, if an Event of Default has occurred and is continuing. In the absence of a provision such as this in the Bond Indenture, such a change in payment terms on the Series 2021 Bonds could likely only be made under a plan of reorganization approved by a Bankruptcy Court or with the consent of the Holders of 100% of the Series 2021 Bonds Outstanding affected by the amendment and such 100% consent would be extremely difficult to obtain. A bankruptcy filing, if one were made, would likely involve delay and expense which could affect the ability of the Corporation to accomplish a successful reorganization.

Prospective purchasers of the Series 2021 Bonds are advised that there is a risk that if an Event of Default occurs and is continuing, there could be an amendment made to the Bond Indenture which affects the payment provisions of the Series 2021 Bonds such purchaser holds as described above and that such an amendment would be made without the consent of such purchasers, if the Holders of not less than eighty percent (80%) in aggregate principal amount of the Series 2021 Bonds affected by the amendment consent to such amendment.

No assurance can be given that even if such amendments are made, the Corporation will not file for bankruptcy under the Federal Bankruptcy Code.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Obligated Group:

- (a) Litigation;
- (b) Reinstatement or establishment of mandatory governmental wage, rent or price controls;
- (c) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, given an inability to obtain corresponding increases in revenues from residents whose incomes will largely be fixed;
- (d) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;
- (e) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Obligated Group; or
- (f) The cost and availability of energy.

TAX MATTERS

Federal Income Taxes

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, and subject to the limitations set forth below, under existing statutes, regulations, administrative rulings and court decisions as of the date of such opinion, interest on the Bonds is excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code and is not an “item of tax preference” for purposes of computing the federal alternative minimum tax imposed on individuals.

Certain of the Bonds (the “Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. In general, the “issue price” of a Series 2021 Bond means the first price at which at least ten percent (10%) of such Series 2021 Bond was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. The issue price for each maturity of the Bonds is generally expected to be the initial public offering price set forth on the inside cover page of the Official Statement. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (“Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable

prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement, who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. These continuing requirements include certain restrictions and prohibitions on the use of the proceeds of the Bonds and the Project, restrictions on the investment of proceeds and other amounts and the rebate to the United States of certain earnings in respect of such investments. Failure to comply with such continuing requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds, irrespective of the date on which such noncompliance occurs. In the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement, and accompanying documents, the Issuer and the Corporation have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinion of Bond Counsel described above is made in reliance upon, and assumes continuing compliance with, such covenants and procedures and the continuing accuracy, in all material respects, of such representations and certifications.

Bond Counsel expresses no opinion regarding any other federal income tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Bonds. The proposed form of opinion of Bond Counsel is attached hereto as "APPENDIX D."

In addition to the matters referred to in the preceding paragraphs, prospective purchasers of the Bonds should be aware that the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences may depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Examples of such other federal income tax consequences of acquiring or holding the Bonds include, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Bonds, (ii) interest on the Bonds earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposed by the Code, (iii) passive investment income, including interest on the Bonds, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain other federal retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds. In addition, the Code denies the interest deduction for

indebtedness incurred or continued by a taxpayer, including, without limitation, banks, thrift companies, and certain other financial companies to purchase or carry tax-exempt obligations, such as the Bonds. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors regarding any possible collateral consequences with respect to the Bonds.

Certain requirements and procedures contained in or referred to in the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement, and other relevant documents may be changed, and certain actions may be taken or omitted subsequent to the date of issue, under the circumstances and subject to the terms and conditions set forth in such documents or certificates, upon the advice of or with the approving opinion of a nationally recognized bond counsel. Bond Counsel expresses no opinion as to any tax consequences with respect to the Bonds, or the interest thereon, if such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Harris Beach PLLC.

State Income Taxes

In the opinion of Bond Counsel, under existing law as of the date of the issuance of the Bonds, for so long as interest on the Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. Noncompliance with any of the federal income tax requirements set forth above resulting in the interest on the Bonds being included in gross income for federal tax purposes would also cause such interest to be subject to personal income taxes imposed by the State of New York and any political subdivision thereof.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Bonds.

Interest on the Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion as to the tax treatment of the Bonds under the laws of such other state or local jurisdictions. Each purchaser of the Bonds should consult his or her own tax advisor regarding the taxable status of the Bonds in a particular jurisdiction other than the State of New York.

Other Considerations

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or omitted) or any events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to federal or State income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

All quotations from and summaries and explanations of provisions of law do not purport to be complete, and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THESE AND OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE BONDS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2021 Bonds are subject to the approving opinion of Harris Beach PLLC, Uniondale, New York, Bond Counsel to the Issuer, whose approving opinions, in substantially the forms attached hereto as Appendix D, will be delivered with the Series 2021 Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, Harris Beach PLLC, the Corporation by its counsel, Ruskin Moscou Faltischek PC, Uniondale, New York; and for the Underwriter by its counsel, Norton Rose Fulbright US LLP, New York, New York.

UNDERWRITING

The Series 2021 Bonds are being purchased by Herbert J. Sims & Co., Inc. (the “Underwriter”). The Underwriter has agreed to purchase the Series 2021 Bonds from the Issuer at an aggregate purchase price of \$_____ (the principal amount of the Series 2021 Bonds, less original issue discount of \$_____ and less an Underwriter’s discount of \$_____). The obligations of the Underwriter to accept delivery of the Series 2021 Bonds are subject to various conditions contained in the Contract of Purchase. The Underwriter will be obligated to purchase all Series 2021 Bonds if any Series 2021 Bonds are purchased. The Series 2021 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2021 Bonds into investment trusts) at prices lower than the public offering price set forth on the cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriter. The Contract of Purchase will provide for the Corporation to indemnify the Underwriter and the Issuer against certain liabilities.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its respective affiliates have provided, and may in the future provide, a variety of these services to persons and entities who may have relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and persons and entities with relationships with the Issuer. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and 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 short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

No financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2021 Bonds and the Issuer will not provide any such information. The Corporation has undertaken all responsibilities for any continuing disclosure to owners of the Series 2021 Bonds as described below, and the Issuer shall have no liability to the owners of the Series 2021 Bonds or any other person with respect to such disclosures.

The Corporation has covenanted for the benefit of owners of the Series 2021 Bonds to provide certain financial information and operating data relating to the Corporation by May 30th of each year beginning with the fiscal year ending December 31, 2021 (the “Annual Report”), to provide certain quarterly and monthly financial and operating data relating to the Corporation and to provide notices of the occurrence of certain enumerated events, in accordance with the requirements of Rule 15c2-12, as amended (the “Rule”), under the Securities Exchange Act of 1934. The Annual Report, the quarterly and monthly reports and notices of material events, if any, will be filed on behalf of the Corporation with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report, the quarterly reports and the notices of material events is set forth in Appendix E hereto – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

NO RATING

The Series 2021 Bonds are not rated; neither the Issuer nor the Corporation has applied to any rating service for a rating of the Series 2021 Bonds.

LITIGATION

The Issuer

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the validity or enforceability of the Series 2021 Bonds, the exclusion of interest on the Series 2021 Bonds from the gross income of the owners of the Series 2021 Bonds for federal income tax purposes or the validity or enforceability of the Series 2021 Bonds, the Bond Indenture, the Loan Agreement or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

The Corporation

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Corporation or, to the knowledge of the Corporation, threatened against or affecting the Corporation, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Series 2021 Bonds from the gross income for federal income tax purposes of the owners of the Series 2021 Bonds or the validity or enforceability of the Series 2021 Bonds, the Bond Indenture, the Loan Agreement or any other agreement or instrument to which the Corporation is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

FEASIBILITY CONSULTANT

The Financial Feasibility Study dated February 12, 2021 included in Appendix B hereto (the “Feasibility Study”) has been prepared by Dixon Hughes Goodman LLP to evaluate the ability of the Corporation to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the Series 2021 Bonds, during the five-year period ending December 31, 2025. The Corporation’s forecasted financial statements included in the study have been examined by Dixon Hughes Goodman LLP, as stated in their Examination Report. The Feasibility Study should be read in its entirety. The Feasibility Study is based on assumptions that were provided by, or reviewed with and approved by management of the Corporation. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

OTHER MATTERS

The references to the Act, the Bond Indenture, Master Indenture and the Loan Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to the Act, the Bond Indenture, the Master Indenture and the Loan Agreement for full and complete statements of such and all provisions. The agreements of the Issuer with the owners of the Series 2021 Bonds are fully set forth in the Bond Indenture, the Master Indenture and the Loan Agreement, and neither any advertisement of the Series 2021 Bonds nor this Official Statement is to be construed as constituting an agreement with the owners of the Series 2021 Bonds. The proposed forms of the Bond Indenture, Master Indenture and the Loan Agreement are attached to this Official Statement. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Corporation or the Underwriter and the purchasers or Holders of any Series 2021 Bonds.

Information relating to DTC and the book-entry-only system described under the heading “THE SERIES 2021 BONDS – Book-Entry System” has been furnished by DTC and is believed to be reliable. However, none of the Issuer, the Corporation or the Underwriter makes any representations or warranties whatsoever with respect to the information contained therein.

ISSUER NOT RESPONSIBLE FOR OFFICIAL STATEMENT

The Issuer has consented to the use of this Official Statement. The Issuer neither has nor assumes any responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that appearing under the heading “THE ISSUER” and information concerning the Issuer under the headings “SUMMARY STATEMENT,” “INTRODUCTION” and “LITIGATION.”

The Issuer and the Corporation have authorized the execution and distribution of this Official Statement.

THE TOWN OF HUNTINGTON LOCAL
DEVELOPMENT CORPORATION

By: /s/ Leah M. Jefferson
Executive Director

Approved:

GURWIN INDEPENDENT HOUSING, INC.

By: /s/ Stuart B. Almer
President and CEO

APPENDIX A

INFORMATION CONCERNING THE CORPORATION AND THE FACILITY

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BACKGROUND

Gurwin Independent Housing, Inc., d/b/a Fountaingate Gardens (the “Corporation”) is a New York not-for-profit corporation created to develop, construct and own Fountaingate Gardens, a continuing care retirement community (also known as a Life Plan Community) consisting of independent living apartments and a range of services and amenities, which will be located adjacent to the campus of the Gurwin Healthcare System (the “System”) in Commack, NY.

The System was created to coordinate activities of each affiliated entity on an approximate 24-acre campus including:

- Gurwin Jewish Nursing and Rehabilitation Center (“Gurwin Nursing”), a 460-bed skilled nursing and rehabilitation center providing short and long term care, a memory care unit, ventilator care, infusion center, adult day care, and dialysis center;
- Gurwin Jewish-Fay J. Lindner Residences (“Lindner Residences”), an assisted community with approximately 200 assisted living apartments including a memory care unit.

While the System’s main focus is to those entrusted to its care, the System continues to pursue its long-range vision. With 10.47 acres of land contiguous to the existing Lindner Residences assisted living community, plans were formulated to expand the continuum to include independent living apartments and supporting amenities called Fountaingate Gardens. The land has been contributed to the Corporation by the Gurwin Jewish Geriatric Foundation, Inc. (the “Foundation”) at an appraised value of \$4,675,000. The Foundation has also provided funding for the initial project development costs of the Project, as more fully described in the “DEVELOPMENT OF THE PROJECT - Pre-Finance Development Costs” section below.

The Fountaingate campus has been sustainably designed to incorporate walking paths, a water feature, and extensive gardens that allow the residents to embrace a gracious lifestyle that includes interaction with the natural environment. Most of the on-site parking will be below the residential buildings, thereby reducing paved surfaces and allowing for more extensive greenery and plantings.

The lifestyle that residents will experience at Fountaingate Gardens will be enhanced by programming around the goal of life-long learning. This will include seminars and lecture series, cultural arts programs that include musical, film, and theatrical performances, plus an emphasis on health and wellness. The on-site fitness center will include an indoor swimming pool and fitness center featuring state-of-the-art exercise equipment and personal trainers. The close proximity to the Suffolk Y Jewish Community Center coupled with Gurwin Nursing’s longstanding relationship with this organization will facilitate access to those more extensive fitness facilities and programming as well.

GURWIN INDEPENDENT HOUSING, INC.

The Corporation was organized to develop, own, and operate housing specially designed for residents age 62 and over, with arrangements to provide for residents’ health care and other services, to promote the interests and serve the needs of the residents, and to engage in any other activities that further such purposes.

Non-Discrimination Policy

The Corporation shall not discriminate because of race, color, religion, sex, age, national origin, disability, sexual orientation, genetic information, veteran status, or any other basis protected by applicable law, in the recruitment, selection, training, utilization, promotion, termination, or other employment related

activities concerning the Services employees. The Corporation affirms that it is an equal opportunity employer. The staffing, promotion, placement, or assignment of employees by any service provider must be done without any preference or limitation based on race, color, religion, sex, age, national origin, disability, sexual orientation, genetic information, veteran status, or any other basis protected by applicable law. This obligation applies to the recruitment, selection, training, utilization, promotion, termination, or other employment-related activities.

Tax Status of the Corporation

Gurwin Independent Housing, Inc., incorporated on December 30, 2014, is a New York nonprofit corporation and is exempt from federal income tax as described under Section 501(c) (3) of the Internal Revenue Code.

The Facility

The Fountaingate Gardens senior living community will include:

- **Phase 1** with 129 independent living units consisting of 102 one-bedroom and two-bedroom apartments in the Parkview Building and 27 apartments in one adjacent Terrace Building and a community center. The apartments are to range from 830 to 1,570 square feet.
- The future **Phase 2** (subject to, among other things, additional demand and financial stability of Phase 1) with one additional Terrace Building with 27 apartments and up to 8 cottages along with an addition to the community center. Proposed square footage for these residences would be similar to Phase 1.

Amenities in Phase 1 of Fountaingate Gardens will include a community center that will feature several dining venues, an art studio, an indoor swimming pool, fitness and exercise area, salon/day spa, game room, library, and multi-purpose room.

Board of Directors

The Corporation's powers, property and affairs are currently vested in its Board of Directors (the "Fountaingate Board"). The Fountaingate Board is a self-perpetuating board. Individual members have a term of no greater than three (3) years, but without term limitation, with term renewals being subject to Board approval.

Members of the Board of Directors of the Fountaingate Board do not receive compensation for their services but may receive reimbursement for expenses in the course of representing the Corporation.

Present officers and members of the Fountaingate Board, their occupations and term renewal are as follows:

Member	Officers	Occupation	Term Renewal
Cary Wolf	Chairman	Chief Executive Officer of Bill Wolf Petroleum Corp.	12/31/2022
Adam Wolf	Treasurer	Chief Operating Officer of Bill Wolf Petroleum Corp.	12/31/2021
Lee Brodsky	Secretary	Managing Director of Newmark Grubb Knight Frank commercial real estate	12/31/2021
Stuart B. Almer		President and CEO of the Gurwin System entities	12/31/2023
Bert Brodsky		Chairman of BEB Capital	12/31/2023
Laura Gurwin Flug		Retired, sales	12/31/2022
Ronald Goldstein		NYS licensed real estate broker and attorney at Goldstein Rubinton Goldstein and DiFazio, PC.	12/31/2023
Lee Launer		Retired, actuary	12/31/2023
Scott Roteman		NYS licensed Medical Doctor and Medical Director at Eastern Island Medical Care, P.C.	12/31/2021
Carol Sussman		Retired, consultant for institutional investor relations	12/31/2022

Conflict of Interest Policy

It is the general policy of the Corporation not to engage in business transactions with any of its Directors or officers, or with any other corporation, firm, association, or other entity in which any of its Directors or officers are directors or officers. However, in exceptional circumstances, the Corporation may deal with one or more of its Directors or officers, or with any other corporation, firm, association or entity in which one or more of its Directors or officers are directors or officers, provided that the transaction is at least as fair and reasonable to the Corporation as would otherwise be obtainable if the Corporation were dealing with another person or entity. Certain members of the Fountaingate Board and officers of Fountaingate also serve on the boards of directors or as officers of the Foundation, the System and its subsidiaries, including Gurwin Nursing and Lindner Residences.

Administration

The bylaws of the Corporation provide that the President and CEO of the Corporation will have general and administrative and supervisory responsibility over the Corporation under the direction of the Fountaingate Board. The President and CEO and the Chief Financial Officer of the Corporation and summary biographical information are as follows:

Stuart Almer, FACHE, BA, MBA, LNHA - President and Chief Executive Officer. Stuart Almer has served as President and CEO of Gurwin Jewish Nursing & Rehabilitation Center, Gurwin Jewish - Fay J. Lindner Residences, Gurwin Home Care Agency, Gurwin Healthcare Foundation and Gurwin

Independent Housing since January 2020 and served as Administrator and Chief Operating Officer from 2015-2019. Prior to joining the organization, Mr. Almer served as Executive Vice President and Chief Operating Officer at Parker Jewish Institute for Health Care and Rehabilitation, and prior to that as Vice President, Operations at Peninsula Hospital Center. Mr. Almer has also held senior management positions in three acute care facilities in the Greater New York Area. Mr. Almer received his MBA Degree in Hospital Management from Adelphi University and holds a Certificate Degree from Molloy College. He is a New York State licensed Nursing Home Administrator and is also a Fellow of the American College of Healthcare Executives.

Louis A. Viteritti, CPA - Chief Financial Officer. Louis Viteritti is a Certified Public Accountant with 30 years of experience in the healthcare industry. He has served as CFO of Gurwin Jewish Nursing & Rehabilitation Center, Gurwin Jewish -Fay J. Lindner Residences, Gurwin Home Care Agency, Gurwin Healthcare Foundation and Gurwin Independent Housing since 2018. Prior to attaining this position, and since 2012, Mr. Viteritti served as the System's Finance Director. Prior to his tenure at Gurwin, Mr. Viteritti was CFO at Nesconset Center for Nursing & Rehabilitation/Huntington Village Rehab and Nursing Center for sixteen years as well as seven years at top accounting firms as a senior accountant. Mr. Viteritti received his Bachelor of Science in Professional Accountancy from Long Island University-CW Post, and is a Member of the American Institute of Certified Public Accountants (AICPA).

Regulatory

Zoning

The Corporation has received zoning approval for intended use, site plan approval and building permit for Phase 1 development from the Township of Huntington.

Certificate of Authority

Fountaingate Gardens has received a Conditional Certificate of Authority from the State of New York and approval to begin construction. Further, the Corporation has received approval from the NYS Department of Health (DOH) and Department of Financial Services (DFS) of its updated Disclosure Statement dated June 2020 that contains current unit configuration and pricing (the "Disclosure Statement").

The final approval of the Certificate of Approval and release of escrowed Entrance Fees is conditional upon receipt of the following items prior to occupancy:

1. The final terms of the 2021 bond issuance including amount, interest rates, term, covenants, etc. must not be materially different from what was presented to DFS and DOH;
2. Submission of the Official Statement relating to the Series 2021 Bonds, final financing term sheet, debt service schedule, and revised ten year projections (balance sheet, income statement, cash flow statement) based thereon;
3. Submission of copies of the final financing agreement (include all indentures, bond purchase agreement, loan agreement, promissory note, mortgage and security agreement, assignment of mortgage, tax regulatory agreement, final official statement, etc.);
4. Submission of the finalized liquidity support agreement;
5. Escrowed entrance fees or entrance fee deposits cannot be released to Fountaingate unless an application has been submitted to DOH demonstrating that the conditions of Public Health Law §4610(6) have been met and approval has been granted by DOH, with the advice and consent of DFS;

6. Submission of the finalized version of the Disclosure Statement reflecting how the project is currently configured;
7. Substantial changes to the project, financial or physical, be communicated timely to DOH and DFS;
8. Submission of an updated financial feasibility study and an updated actuarial study (acceptable to DFS) would be required if the final financing were to change materially and/or if there were any other material changes;
9. Changes to the estimated construction start and anticipated completion date be submitted to DOH, DFS, and revised in communication to prospective residents;
10. Any transactions between Fountaingate and any affiliated entities must comply with the requirements of DFS Insurance Regulation 140, Part 350.11 (11 NYCRR 350.11);
11. No person/legal entity may be added to the “Obligated Group”, as defined under the Master Trust Indenture and referenced in various other bond refinancing documents, which is currently comprised of Gurwin Independent Housing, Inc.;
12. The project having received all necessary local and State permits and approvals for construction outside of Public Health Law Article 46 (including associated regulations) and NYS Insurance Regulation 140;
13. Occupancy of Independent Living Units will not occur until a certificate of occupancy has been received. A copy of the certificate of occupancy must be sent to DOH with a copy to DFS; and
14. The complete and timely submission of any other documentation or information requested by DFS or DOH as related to this project.

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FOUNTAINGATE GARDENS FACILITIES

Fountaingate Gardens is a continuing care retirement community (also known as a Life Plan Community) consisting of 129 independent living apartments and a range of services and amenities. Pursuant to a Residency Agreement, each resident will enjoy priority access to a full continuum of care at the System, including skilled nursing care, assisted living, memory care, and short-term rehabilitation services.

Although each apartment will have a new modern kitchen with appliances, the Community Center will include two dining venues that will offer three meals a day. Residents will have thirty (30) meals per month included in their monthly fees. There will be a range of menu choices so that residents can select the options that best fit their lifestyles, including Kosher dining. For those who are inclined to cook less often, additional meals are also available for purchase beyond the thirty meals included in their monthly service fee.

Services & Amenities

Fountaingate Gardens' programming and amenities are intended to include the following:

- Chef-prepared meals served in a choice of venues: a fine dining restaurant; a private dining room; a chef's exhibition casual restaurant; a take-out option; and a marketplace for healthy snacks
- Fitness center with cardio and weight equipment specially designed for these residents, as well as a group exercise room
- Aquatic center with an indoor, heated pool and a whirlpool spa
- Spa and salon services including hair care for men and women, massage, facials, manicures, and pedicures
- Cultural Arts Center
- Library
- Paved walking trails
- Outdoor terrace with café tables
- Planned social events, educational programs, and cultural activities
- On-campus volunteer opportunities

Shared Services

Certain supporting management services for the Project are to be provided by Gurwin Nursing pursuant to a Shared Services Agreement (the "Shared Services Agreement"). Pursuant to the Shared Services Agreement, Gurwin Nursing will be required to provide certain supporting management services necessary to operate Fountaingate Gardens, including but not limited to financial management, purchasing, public relations, recruitment of personnel and supervision of the day-to-day operations and programs of the community.

The Shared Service fees under the Shared Services Agreement will be equal to three percent (3%) of the Corporation's monthly operating expenses, exclusive of interest, depreciation, and amortization, for a term as described below. The Shared Service annual fee amounts to approximately \$250,000 after attaining full occupancy estimated in 2025. The Corporation will also reimburse Gurwin Nursing for the portion of the salaries and benefits of Gurwin Nursing personnel who provide services, other than healthcare services, to the community. Under the terms of the Master Trust Indenture, payment of shared service fees will not be permitted if an event of default has occurred and is continuing.

The term of the Shared Services Agreement will commence on the date on which the Corporation receives the certificate of occupancy and will terminate on the date, which is five years thereafter, unless renewed. The Services Agreement will automatically renew for an additional five years unless (a) either party provides written notice of the intent to terminate the agreement or (b) the Shared Services Agreement has been terminated in accordance with its terms.

Health Care Services

Health care services to Fountaingate Gardens residents are to be provided by Lindner Residences and Gurwin Nursing pursuant to (i) an Agreement for Assisted Living Services dated as of March 24, 2020 with Lindner Residences, to provide for assisted living care services to residents of the Facility and (ii) an Agreement for Skilled Nursing Services dated as of March 24, 2020 with Gurwin Nursing to provide for skilled nursing and rehabilitative care to residents of the Facility (collectively, the “Transfer Agreements”).

Residents who select the Life Care option receive assisted living and skilled nursing care with no increase in their monthly service fee. Residents who select the Modified Life Care option receive 60 free cumulative lifetime days of care in assisted living and skilled nursing with no increase in their monthly service fee. Thereafter, the resident pays an established daily rate (below) for the respective level of care.

Under the terms of the Transfer Agreements with Gurwin Nursing and Lindner Residences, the Corporation is charged for health care services provided to Life Care residents and to Modified residents during the 60 free day periods. The daily rate in 2022 is established at \$464 for skilled nursing care and \$201 for assisted living care. This daily rate may be adjusted annually by Gurwin Nursing and Lindner Residences.

Residency and Care Contracts

To be accepted for admission to Fountaingate Gardens, prospective residents must be at least 62 years of age (or if a couple, one spouse is at least 62 years of age) at the time residency is established and exhibit an ability to live independently and meet their financial obligations as residents of the selected type of independent living unit.

The residency contract (“Residency Contract”) is a contract under which the Corporation is obligated, upon payment by the resident of an entrance fee and ongoing payments of the monthly service fee to the Corporation, to provide certain services for life to the resident. There are two types of residency agreements: (i) a “Modified Continuing Care Contract” and (ii) a “Life Care Contract” with corresponding fees as described below.

Under the Modified Continuing Care Contract, payment of the entrance fee and monthly service fee entitles residents to receive the following services and amenities:

General Services

- Thirty meals per month;
- Bi-monthly light housekeeping and annual heavy housekeeping;
- Weekly change of linens;
- Unlimited use of fitness and wellness center (clinic), except physician services;
- Maintenance of the apartment, grounds, and equipment;
- Sewer, water, trash removal, electricity, heat, air conditioning, basic cable television, and internet;
- Property taxes, and property and casualty insurance on the building and grounds;

- Scheduled local transportation;
- Planned social, educational, cultural, and recreational activities;
- Additional storage space;
- Use of the community areas, private dining and meeting rooms, lounges, lobbies, library, social and recreational rooms, and other common activity facilities.

Health Care Services

- 60 free days in assisted living and skilled nursing and thereafter, discounted fee-for-service in the respective levels of care.

Under the Life Care Contract, an additional entrance fee and monthly service fee provides assisted living and or skilled nursing care at the same residential rate which was applicable to the last residential living unit occupied. The General Services listed above also apply to the Life Care Contract.

Additional services are available to residents for an extra charge including, but are not limited to: additional meals, cost of telephone and premium television, beautician and barber services, group travel trips, participation in a fitness program, physician services, special entertainment and activities, supplies used in connection with social and recreational activities and purchases at a convenience store.

Entrance Fee Refund Options:

Residency at Fountaingate Gardens involves a one-time entrance fee and monthly service fees. The fees will depend on four factors: the size of the apartment, the contract option that is chosen, whether residents are a single or a couple, and the percentage of the Entrance Fee that will be refunded upon termination of the Residency Agreement.

The entrance fee refund options under both Residency Contract types, related amortization schedules and refunds upon termination of the Residency Contract, and the additional entrance fee related to the Life Care option are summarized as follows:

<i>Entrance Fee Option</i>	<i>Amortization Schedule after 90 Days of Occupancy</i>
Refund Options:	
80% Entrance Fee Refund	The entrance fee is reduced by a 4 % administrative fee plus 2 % per month for each month of occupancy for the first 8 months, at which point the refundable portion will be 80%.
50% Entrance Fee Refund	The entrance fee is reduced by a 4 % administrative fee plus 2 % per month for each month of occupancy for the first 23 months, at which point the refundable portion will be 50%.
Declining Balance Entrance Fee Refund	The entrance fee is reduced by a 4 % administrative fee plus 2 % per month of occupancy until fully amortized and is non-refundable after 48 months.
Life Care Entrance Fee Refund:	The entrance fee is reduced by a 4 % administrative fee plus 2 % per month of occupancy until fully amortized and is non-refundable after 48 months.

Apartment Types and Resident Fees

The follow table summarizes the range of current entrance fees (Entrance Fees) and the monthly service fees (Monthly Fee) effective at opening in 2022 for the respective unit types and refund options:

Unit Type	Number of Units	Square Footage	Entrance Fees			Monthly Fees	
			Declining Balance	50% Refundable	80% Refundable	50% & 80% Refundable Plans	Declining Balance Plan
The Parkview							
One Bedroom							
Oak	2	824	\$352,100	\$449,100	\$598,800	\$3,450	\$3,200
Maple	20	828	\$349,450	\$445,735	\$594,290	\$3,450	\$3,200
One Bedroom Den							
Laurel	8	954	\$468,350	\$597,363	\$796,475	\$4,230	\$3,980
Elm	8	964	\$426,375	\$543,850	\$725,150	\$3,870	\$3,620
Willow	12	1,040	\$440,917	\$562,433	\$749,883	\$3,880	\$3,630
Spruce	1	1,095	\$479,700	\$611,900	\$815,900	\$4,500	\$4,250
Holly	8	1,140	\$494,838	\$631,175	\$841,525	\$4,540	\$4,290
Two Bedroom							
Birch	16	1,057	\$459,850	\$586,513	\$782,013	\$4,230	\$3,980
Cherry	4	1,126	\$453,775	\$578,800	\$771,725	\$4,500	\$4,250
Two Bedroom Den							
Dogwood	16	1,280	\$558,975	\$713,013	\$950,675	\$4,880	\$4,630
Walnut	7	1,350	\$544,514	\$694,586	\$926,071	\$5,080	\$4,830
The Terraces							
One Bedroom							
Lily	3	1,068	\$453,976	\$579,067	\$772,100	\$4,230	\$3,980
One Bedroom Den							
Rose	9	1,000	\$498,989	\$636,478	\$848,622	\$4,330	\$4,080
Two Bedroom							
Lilac	3	1,234	\$539,400	\$688,033	\$917,367	\$4,920	\$4,670
Iris	3	1,392	\$593,700	\$757,267	\$1,009,667	\$5,330	\$5,080
Two Bedroom Den							
Azalea	6	1,417	\$622,050	\$793,417	\$1,057,900	\$5,370	\$5,120
Tulip	3	1,581	\$642,967	\$820,133	\$1,093,467	\$5,630	\$5,380
Second Person Fees (1)			\$17,500	\$21,000	\$27,300	\$876	\$876
			Life Care Option - additional fees				
Life Care Fee							
Per Person			\$68,750	\$68,750	\$68,750	\$930	\$930

⁽¹⁾ The second person fee does not apply if the Life Care option is selected, instead the additional Life Care fees apply.

Financial Support to Residents

In the event a resident becomes unable to pay the Monthly Fee, amounts due are first applied against their applicable entrance fee refund. Thereafter, the Corporation will consider providing financial assistance to the resident based on their individual circumstances.

Insurance

The Contractor and the Corporation are required to maintain insurance according to the Loan Agreement relating to the Series 2021 Bonds as follows:

Type	Coverage	Amount
During Construction – by the Contractor		
Workers' Compensation	Loss resulting from injury, sickness, disability, or death of employees of employer	As required by law
Comprehensive general liability	Premises & Operations, Products & Completed Operations, Owners Protective, Contractors Protective, Contractual Liability, Personal Injury Liability, Broad Form Property Damage, Explosion Hazard, Collapse Hazard, Underground Property Damage Hazard	Not less than \$1 million
Business auto liability	combined single limit for personal injury, including bodily injury or death, and property damage	Not less than \$1 million
Excess umbrella liability	In excess to coverages above	Not less than \$ 5 million
During Operation – by the Corporation		
Property	Loss from casualty	At least the principal of the Series 2021 Bonds
Worker's Compensation	Loss resulting from injury, sickness, disability, or death of employees of Fountaingate	As required by law
Liability	Personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence	Limit of liability of not less than \$1 million (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5 million

Property Taxes

Property taxes have been estimated based on the local jurisdiction methodology and included in projected operating expenses of Fountaingate Gardens and are part of the monthly service fees.

Litigation

There is no litigation pending or threatened to the knowledge of the Corporation.

Environmental Site Assessment

The Phase I Environmental Assessment was performed by Nelson & Pope, environmental engineers. They concluded that further investigation should be performed in a limited area to determine if any subsurface structures were present that could potentially impact the environment. Accordingly, a Limited Phase II ESA was performed to survey the underground utilities/structures and located 2 former sanitary leaching pools that required remediation in accordance with the Suffolk County Department of Health Services (SCDHS) requirements. This remediation was completed by the engineers in October 2020 with confirmed approval of the removal by SCDHS.

DEVELOPMENT OF THE PROJECT

History of the Project

Gurwin Nursing began planning for Fountaingate Gardens in 2013 with various market studies. Those studies were followed by conceptual planning and related financial analysis through 2015, culminating in a 2016 filing to the NYS Department of Health for a Certificate of Authority to market and develop the first phase of Fountaingate Gardens.

Pre-Finance Development Costs

The Corporation will have expended approximately \$19.7 million for project development costs up to the date of issuing the Series 2021 Bonds. These development costs include costs related to planning, design, marketing, permits and approvals, consulting, financing, and initial site development. These costs were financed by the Foundation's contribution of \$4 million and by loans totaling approximately \$15.7 million from the Foundation that includes a \$4 million loan from the United Jewish Appeal – Federation of Jewish Philanthropies of New York, Inc. (UJA).

It is anticipated that loans totaling approximately \$11.7 million from the Foundation will be repaid from the Series 2021 Bonds proceeds. The remaining \$4 million loan will remain outstanding and be subordinate to the Series 2021 Bonds. Repayment of this remaining loan is contingent upon satisfaction of certain conditions, namely the repayment of the Series 2021B Bonds and the Series 2021C Bonds.

The Foundation

As indicated above, the Foundation has provided a contribution of \$4 million and loans totaling \$15.7 million for project development costs up to the date of issuing the Series 2021 Bonds. The assets, liabilities and net assets of the Foundation as of December 31, 2020 (unaudited) are as follows:

Assets

Cash and investments	\$25,216,490
Contributions receivable	1,676,836
Loans receivable ⁽¹⁾	14,062,803
Prepaid expenses	10,798
Accrued interest receivable	12,949
Equipment & furnishings, net of depreciation	249
Total assets	<u>\$40,980,125</u>

Liabilities:

Accounts payable and accrued expenses	\$103,048
Line of credit ⁽²⁾	4,500,000
Notes payable ⁽³⁾	6,614,261
PPP loan payable ⁽⁴⁾	60,055
Contributions and grants payable	120,261
Accrued interest payable	310,266
Funds held on behalf of other entities ⁽⁵⁾	<u>3,750,942</u>
Total liabilities	15,458,833
Net Assets	<u>25,521,292</u>
Total liabilities and Net Assets	<u>\$40,980,125</u>

Notes:

- (1) Consists of loans to the Fountaingate Gardens project. An additional \$1.64 million is expected to be advanced prior to issuing the Series 2021 Bonds. The balance of this receivable, except for \$4 million will be repaid from the Series 2021 Bonds.
- (2) Consists of a bank loan to be repaid in conjunction with the repayment of the loan receivable.
- (3) Includes \$4 million loan payable to the UJA related to the Fountaingate Gardens project.
- (4) Payment Protection Program loan applied for forgiveness.
- (5) Primarily consists of funds being held as collateral for a letter-of-credit required by local authorities related to a new sewage treatment plant that will service the Gurwin campus.

The Development Consultant

The Corporation entered into a Development Consulting Agreement with Eventus Strategic Partners (“Eventus”) in 2017, as amended in 2020 (the “Development Consulting Agreement”), pursuant to which Eventus has provided development consulting services related to the Project, including: maintaining the overall direction for the development of the Project and timeline; development planning; development team engagement and management; coordination of architectural, construction and interiors plans; and coordinating and overseeing the approved operating and construction budget, as well as financing activities.

Eventus is to be paid a development consulting fee totaling \$3,263,700 including:

- \$2,476,700 will have been paid upon issuance of the Series 2021 Bonds,
- \$637,000 to be paid over the construction period, and
- \$150,000 to be paid upon completion of construction.

The Corporation is also to reimburse Eventus for out-of-pocket expenses associated with the development consulting services provided.

Eventus was formed in 2005 to provide consulting and development planning and management services to the senior living industry. The Philadelphia-based firm is a combination of Aegis Property Group and Lifescapes LLC. Aegis Property Group has over 30 years' experience in project planning, design, construction, and budgeting. Lifescapes' principals (Alan Wells and William Yost) each have over 40 years' experience in developing strategies for expansion or repositioning, project and program planning, financial matters, capital finance, and operations to the senior living industry.

The principals of Eventus are:

Alan B. Wells, CPA (President) focuses on strategic and financial planning, financial modeling, and project financing. Experience includes 28 years with KPMG, where he was partner-in-charge of KPMG's senior living consulting practice, and 6 years as an investment banker with Wheat First Securities.

William T. Yost (Partner) focuses on strategic planning, operations, financial modeling, and project financing. Experience includes 26 years with The Kendal Corporation, where he was Director of Finance and Project Development.

James L. Price (Partner) focuses on master planning, budgeting, scheduling, and construction. Experience includes over 25 years with Aegis Property Group, currently a related company to Eventus.

A representative list of Eventus' current and prior projects includes the following

Project Name and Location	Project Type	Completion Date
The Evergreens Moorestown, NJ	4-phased CCRC - Phase 1 includes interior renovations to the main kitchen and adjacent dining rooms. Phase 2 includes a new four-story assisted living and skilled nursing building.	Phase 1 – 2009 Phase 2 – 2012
Lutheran Haven Retirement Community Oviedo, FL	Development of a campus repositioning master plan and design for the initial phase of replacement independent living and new community space.	2019
Friends House Sandy Hill, MD	Repositioning, including updated independent lining, assisted living and community support facilities along with planning for low income housing.	Ongoing

Whitney Center Hamden, CT	Planning for major independent living addition and healthcare facility replacement -88 apartments in a new seven-story building; a 218-seat Cultural Arts Center, a bistro/marketplace and expanded and redesigned main dining room, new parking garage, and a glass-walled interior promenade called Main Street that includes an art gallery, salon/spa, and expanded library.	2011
RiverSpring Health – River’s Edge Project Riverdale, NY	Planning and implementation for a 270-unit high-rise apartment building with comprehensive amenities and support services. Project recently began marketing and scheduled for financing the fall of 2021.	Ongoing
Westminster Manor Austin, TX	Planning/design for a major IL addition and healthcare replacement and to formulate a viable financial plan. 75 IL units and a reconfigured healthcare center that includes 103 units of skilled nursing, assisted living and dementia care.	2011
Christian Health Care Wyckoff, NJ	Planning and implementation for a phased development of an independent living facilities adjacent to existing skilled nursing and assisted living facilities. Eventus is managing the development of the first phase of 167 apartments and a commons building. The Project was financed in August 2019 and construction is scheduled for completion in mid-2021.	Ongoing
RiverMead, Peterborough, NH	RiverMead is currently in the midst of a campus expansion and redevelopment project that is focused on updating its health center, improving dining and other amenities, and adding independent living units in both new hybrid apartment buildings and cottages. RiverMead has contracted with Eventus for development planning assistance and oversight of the redevelopment project, including project budgeting, financial analysis, and construction oversight.	Ongoing

Marketing of Fountaingate Gardens

Marketing of the Project began in 2015 under the management of Love & Company. Since the beginning of 2020 through January 2021, marketing of the Project was under the internal management of Gurwin Nursing. In 2021, the Corporation engaged Retirement DYNAMICS, Inc. to provide marketing and sales consulting services under a Services Agreement to Fountaingate Gardens including assessment, sales management, sales training, lead management, marketing strategies and monthly reporting. The agreement for these services has an indefinite term and is subject to a 30 day cancellation period by either party.

Compensation for services rendered pursuant to the Services Agreement includes the following:

- Initial assessment \$12,500
- Monthly retainer for initial 3 months \$15,000

- Monthly thereafter
 - Retainer \$5,000
 - Incentive \$3,000 per sale/reservation

Retirement DYNAMICS, Inc. (RD), founded in 2001, is a specialized professional services firm that focuses on the senior living and services industry. The focus of RD are retirement communities undergoing expansions or renovations of existing operations, marketing of new start-up communities, repositioning of aging communities, refining of existing marketing programs, turnarounds of challenged communities, market research, consumer research, and creative advice to support marketing efforts. RD has created marketing and sales programs for Life Plan Communities/Continuing Care Retirement Communities, independent living, assisted living and memory care facilities. Complementing marketing and research, RD specializes in sales and sales training.

RD's professionals have worked in the CCRC industry since 1983. RD's marketing consultants have over 100 combined years of experience in the CCRC industry and a combined total of 50 years of experience with the Firm. The Firm is led by Bobby Sumner having an extensive background in sales and marketing senior living communities:

Bobby Sumner - President and Co-founder will serve as the Managing Consultant for all work for Fountaingate Gardens, including the initial Marketing and Sales Assessment as well as the on-site Consultant. He has worked with over 200 senior living communities throughout the United States in various capacities as a marketing consultant providing sales training, strategic positioning, research, market feasibility studies, focus groups, audits, market planning, product/program development processes, facilitation of the development process and Board facilitation. Mr. Sumner graduated from the College of Charleston, Charleston, SC, with a Bachelor of Science degree in Business Administration and received his MBA from the University of South Carolina, Columbia, SC. He has been a licensed Assisted Living Administrator.

Retirement DYNAMICS has performed 82 market analyses in 18 states, completed surveys for 57 clients, and held focus groups for 36 sponsors. In addition, RD has led or participated as instructors in numerous training seminars and conferences.

Since its founding in 2001, RD has served over 300 separate clients in 401 engagements in 34 states. A representative list of RD's current and prior projects includes the following:

Client	Services Performed
Brewster Place (CCRC), Topeka KS	Market assessment, consumer research, marketing and sales consulting & pre-sales.
Frasier (CCRC), Boulder, CO	Pricing study, re-development planning, marketing plan & budget & sales management.
The Glen (CCRC), Shreveport, LA	Market Assessment, development planning, marketing and sales consulting & move-in coordination.
Canterbury Woods & Gate's Circle (CCRC's), Buffalo, NY	Strategic planning, Market & consumer research, sales training, marketing & sales consulting, move-in coordination
Pinnacle Living – Chesterfield Community, Richmond, VA	Strategic planning, consumer research, sales training, pricing studies, marketing & sales consulting.

Marketing Process and Current Status

The marketing process has two stages of deposits by prospective residents as follows:

1. Priority Deposit. A Priority Deposit of \$1,000 allows the depositor the right to reserve a Priority Number for future deposit levels. Fountaingate began accepting the first phase of deposits in the last quarter of 2015 and received over 170 Priority Deposits through mid-2017.
2. Reservation Deposit. The prospective resident begins the process by completing an application and a confidential financial information form. Once the application is approved, a prospective resident must submit a deposit equal to 10% of the Agreement type and apartment is reserved.

Fountaingate Gardens began accepting Reservation Deposits in the later part of 2017. On a limited basis for a period of time during 2018, 5% deposits were accepted for the reservation. As of February 12, 2021, 71 units have been reserved (66 with 10% Reservation Deposits and five with 5% Reservation Deposits). There have been 46 withdrawals to date for a number of reasons, including significant changes to prospective resident's health requiring an immediate higher level of care, out-of-state moves, deaths, and the COVID-19 pandemic.

The marketing and sales efforts have continued over the last 12 months of the COVID-19 pandemic period. The compensating efforts to meet in-person with prospects have included virtual meetings, e-mail communications and telephone conversations, resulting in 10 new reservations over this period. Less than half of the 22 cancellations during this period are attributable to the COVID-19 pandemic.

The table below provides the history of reservation deposits and withdrawals:

				Net					Net
		Deposits	Withdraws	Total			Deposits	Withdraws	Total
2017	August	11	0	11	2019	January	2	0	69
	September	5	0	16		February	2	0	71
	October	12	0	28		March	1	2	70
	November	9	0	37		April	3	1	72
	December	3	0	40		May	2	1	73
2018	January	7	0	47		June	2	0	75
	February	3	1	49		July	1	1	75
	March	2	0	51		August	3	3	75
	April	9	1	59		September	1	0	76
	May	2	0	61		October	0	0	76
	June	3	2	62		November	3	0	79
	July	7	0	69		December	0	0	79
	August	2	1	70	2020	January	5	1	83
	September	3	5	68		February	0	0	83
	October	0	2	66		March	0	4	79
	November	2	1	67		April	0	0	79
	December	2	2	67		May	1	0	80
						June	0	0	80
						July	2	1	81
						August	0	3	78
						September	0	2	76
						October	1	2	75
						November	3	1	77
						December	1	1	77
					2021	January	1	7	71
						February	1	1	71
							117	46	

DESIGN AND CONSTRUCTION OF THE PROJECT

Early Construction Start

Construction began in October 2020 and consists of site development intended to ready the site for building construction upon the issuance of the Series 2021 Bonds, in order to shorten the period to opening and enhance timing for seasonal construction scheduling. Construction began with site development and is continuing with work on the building pad and foundation creation, site utilities, structures for storm water management, preparation for sanitary system installation and structures in preparation for vertical construction.

Project Development Schedule

The Project schedule is anticipated as follows:

Construction	October 2020 and continuing
Financing closing	March 2021
Construction completion	May 2022
Initial Occupancy	March (Terraces Building) thru June (Parkview Building) 2022

The Architect/Engineer

The Corporation has an agreement with Perkins Eastman (“Perkins”) to serve as the project architect/engineer. Founded in 1981, Perkins is a leading architecture, urban design, and interior design firm offering programming, planning, design, and strategic planning services, with a global network of more than 1,000 professionals across 17 offices.

Senior Living design at all levels of the Continuum of Care has been one of the major market segments of Perkins Eastman’s architectural practice. Principal-level architects lead its Human by Design culture, where the user is placed at the heart of all its projects and enable a better future by working as one across their global platform to deliver on its designs. Perkins offers experienced and knowledgeable planners, architects, and interior designers who focus on the built environment and its ability to help people from quality of lifestyle to quality of care. More than 90% of Perkins’ projects include an integrated approach to architecture and interior design services, and its interior designers are involved from the beginning of the process to see that a cohesive design evolves. Perkins has achieved success on projects both large and small by offering an interactive, transparent process that maintains client involvement. Perkins participates in senior living trade conferences, have given more than 400 lectures and web conferences, and wrote Building Type Basics for Senior Living Design (John Wiley & Sons, First and Second Editions).

Perkins Continuum of Care experience includes the following types of senior living facilities:

- Active adult developments
- Life plan communities
- Independent living apartments, villas, cottages
- Assisted living apartments
- Long term care environments

- Memory support residences
- Geriatric healthcare facilities
- Short-term rehabilitation centers

Perkins Senior Living Practice includes over 600+ completed projects, 90% of which integrated architecture and interior design services. Recent projects include:

- Newbridge on the Charles, Life Plan Community, Dedham, MA
- St. John's on the Lake, Life Plan Community, Milwaukee, WI
- The Club at Briarcliff Manor, Life Plan Community, Briarcliff Manor, NY
- Kendal on Hudson, Life Plan Community, Sleepy Hollow, NY
- John Knox Village, Life Plan Community Repositioning, Boca Raton, FL
- Sinai Residences, Life Plan Community, Boca Raton, FL
- The Overlook, Life Plan Community, Dallas, TX
- River's Edge, Life Plan Community, Riverdale, NY
- Ingleside, Life Plan Community, Washington, DC
- Fox Hill Village, Life Plan Community Repositioning, Weston, MA
- Cloverwood, Life Plan Community, Pittsford, NY
- The Hallmark, Life Plan Community, Dallas, TX

The following are biographies of key personnel at Perkins on the Fountaingate Project:

Richard S. Rosen, AIA LEED AP: Richard Rosen is the Principal-in-Charge for the Fountaingate Gardens project. He is a Principal and recognized expert in the Perkins Eastman Senior Living practice and part of its leadership group. He offers more than 40 years of experience in a variety of institutional building types. Though he specializes in senior living residential care environments, his varied project experience includes healthcare, hospitality, and multi-family housing. Having been involved in Senior Living community design since 1989, he is integrally involved in initial feasibility studies, programming, site strategy and conceptual planning and design of Senior Living communities. He is a registered architect in New York and is NCARB Certified and a LEED Accredited Professional. Prior to joining Perkins Eastman, Rich was a senior design manager for Marriott Senior Living Services, responsible for the design of senior living communities in New England and New York. He has published articles on Senior Living design in various journals, served as the Chairman for NAHB's Best of Senior Housing Awards from 2004-2006. He has a Master of Architecture, Harvard Graduate School of Design; and a Bachelor of Arts in French Literature, University of Rochester with High Honors.

Valerie A. Mutterperl, AIA LEED AP Associate Principal: Valerie Mutterperl is an Associate Principal with over twenty years of experience in senior living and other large-scale projects including healthcare, residential, long-term care, hospitality, commercial and education projects. Since joining Perkins Eastman, Valerie has been involved in a variety of projects across the spectrum of senior design including affordable housing, nursing, assisted living and independent living, either as stand-alone projects or as part of a Life Plan community. The projects range from feasibility studies to new construction and addition/renovation. She has a Master of Architecture from Washington University in St. Louis and a Bachelor of Arts/Design of the Environment from the University of Pennsylvania, Cum Laude. She is a registered architect in New York and is NCARB certified.

The Contractor

LECESSE Construction Services, LLC was selected as the contractor (the “Contractor” or “Lecesse”) pursuant to an Owner-Contractor Agreement effective October 2, 2020 (the “Owner-Contractor Agreement”).

The Contractor has provided preconstruction services for Fountaingate Gardens including, but not limited to, preliminary construction sequencing and scheduling, value engineering, and estimating the construction costs of the Project and general conditions.

The Contractor is a client-focused professional construction management company with offices in New York and Florida. They are a nationally recognized leader in the senior housing market with over 12,000 total units built in New York (including Long Island), New England, and Florida. The Contractor has constructed or renovated multiple public and private buildings specializing in senior housing, large multi-family housing campuses, higher education campuses and affordable housing. In addition to providing professional construction management and preconstruction services the Contractor also offers conceptual estimating services, value engineering services, design-build, design-build plus services and LEED consulting services.

The following are biographies of key personnel of the Contractor:

Rufus Judson, CEO. Mr. Judson is the Chief Executive Officer and brings more than 20 years of construction expertise. He concentrates on directing high-level strategic initiatives while enhancing client relations. Recognizing service as an integral component of business and community, Rufus is active in civic, industry and philanthropic initiatives. Rufus attended Union College and holds a Masters of Business Administration from the William E. Simon Graduate School of Business Administration at the University of Rochester.

Mauricio Riveros, President. As President, Mauricio directs the day-to-day operations of the Contractor, formulating plans and policies to achieve overall corporate objectives, ensuring profitable growth and fulfilling the company’s commitment to the community. Mauricio holds a Master of Economic Law from La Universidad Andina Simon Bolivar and a Law Degree from La Universidad Catolica Boliviana.

Kenneth Ogden, Executive Vice President. As Executive Vice President, Ken manages all marketing and business development activities for the firm and has over 30 years of hands on experience in not for profit senior housing. Ken is knowledgeable in all facets of senior housing development included marketing, finance, development, and operations in addition to his construction expertise. He is a current member of LeadingAge, LeadingAge NY and the former Membership Chair of the American Society of Professional Estimators. Ken received a B.S. in Biomechanics from Penn State University and a B.S. in Civil Engineering from Rochester Institute of Technology.

Barry Ingalsbe, Executive Vice President. As Executive Vice President, Barry focuses on business development, estimating and preconstruction, operations, and construction management. Barry has over 35 years of construction experience on a variety of high profile and challenging projects senior housing projects.

Tyler Neer, Senior Project Manager. As Project Manager, Tyler is responsible for the Project overall, from construction and post construction management. Tyler has more than 12 years of design and construction experience.

A representative sample of the Contractor's completed senior living projects includes the following:

<u>Project</u>	<u>Location</u>	<u>Year Completed</u>	<u>Number of Units</u>
Heath Village	Hackettstown, NJ	Current	96
Abbey Delray Expansion & Reno	Delray Beach, FL	Current	72
Fleet Landing	Atlantic Beach, FL	Current	142
Riverwoods Durham	Durham, NH	Current	223
Lutheran Haven Apartments	Oviedo, FL	2019	48
Ancora Apartments	Orlando, FL	2018	289
Birch Hill Terrace	Manchester, NH	2018	65
Canterbury Woods at Gates Circle	Buffalo, NY	2017	59
Kendal at Ithaca	Ithaca, NY	2017	72
Peconic Landing	Greenport, NY	2016	73
Long Pond Senior Living	Greece, NY	2016	54
Gulf Coast Village	Cape Coral, FL	2015	128
GrandeVille at Jubilee	Orlando, FL	2015	330
East Ridge Retirement Village	Coral Gables, FL	2015	261
Villa Grande on Saxon	Orange City, FL	2009	120
GrandeVille on Avalon Park	Orlando, FL	2008	487
Shaker Pointe Phase II	Latham, NY	2014	198
The Barrington at Carmel	Carmel, IN	2014	368
The Wartburg SNF	Mt. Vernon, NY	2013	40
Coburg Village Expansion	Rexford, NY	2012	78
Shaker Pointe Phase I	Latham, NY	2012	10
Camphill - Elder Initiative	Chatham, NY	2012	78
Fairport Apartments	Fairport, NY	2012	104
Highlands of Pittsford: New Life	Pittsford, NY	2012	N/A
Jewish Home QLIP Renovations	Rochester, NY	2012	362
St. Ann's Home - Webster 2010	Webster, NY	2012	72
St. Ann's Home - Portland 2010	Rochester, NY	2012	82
Hillhaven	Pittsford, NY	2011	11
Samaritan Senior Village	Watertown, NY	2011	288
CDS Monarch	Webster, NY	2011	45
Lodge at Avila	Albany, NY	2011	40
The Friendly Home	Rochester, NY	2011	201
Boulders at RiverWoods	Exeter, NH	2010	142
Glenmere Expansion Project	Pittsford, NY	2010	30
Arbor Ridge	Rhinebeck, NY	2009	80
Good Shepherd	Endwell, NY	2009	218

Owner-Contractor Agreement

The Owner-Contractor Agreement is a Guaranteed Maximum Price (“GMP”) contract which encompasses both pre-construction services as well as construction services. The Contractor will receive a fixed sum of \$390,000 for pre-construction services at closing, plus monthly payments based on the percentage of work completed. Costs for construction services may not exceed the guaranteed maximum price of \$60,373,945. In addition to the GMP due to the recently rising costs of lumber, Fountaingate and Lecessee have negotiated an approach whereby Fountaingate will direct purchase the lumber from a selected subcontractor. The subcontractor will be under a subcontract with Lecessee to fabricate, deliver and install all of the wood materials for the Project.

The Contractor’s fee will be three percent of the total building cost, with the total cost not to exceed the guaranteed maximum price. The value of that fee was \$1,717,524. The final fee will be calculated on the actual total building cost, provided that the sum of the total cost of work and the fee does not exceed the adjusted guaranteed maximum price. The fee is not subject to reduction below the initial fee unless there is a substantial reduction in scope.

If the sum of the actual Cost of the Work and the Contractor’s fee is less than the guaranteed maximum price, the savings shall be allocated as follows:

- 60% of savings to the Owner and 40% of savings to the Contractor. In the event that Contractor Contingency funds used to supplement General Conditions exceeds \$250,000, the cost in excess of this amount shall reduce any project savings prior to the agreed upon Owner / Contractor savings split.
- In any event, the Contractor’s share of such savings is capped at \$450,000.

The Owner-Contractor Agreement provides for the creation of a construction contingency of \$1,122,562 (approximately 2% of the GMP before the contingency and Contractor fee). The contingency can be used to offset costs not provided for in, or in excess of amounts provided in, the guaranteed maximum price, with certain limitations set forth in the Owner-Contractor Agreement. There shall be no increases in the contingency unless the Corporation and the Contractor agree otherwise. The project contingency can be replenished at the time the building is weather tight with up to 50% of the proceeds from the buyout savings as defined in the Owner-Contractor Agreement. In no event will the contingency be allowed to exceed the original value.

In addition to the construction contingency included in the Owner-Contractor Agreement, \$3.9 million contingency in bond proceeds are available to pay for unforeseen hard and soft project costs as well. This represents approximately 4.5% of the total project related cost elements.

The Owner-Contractor Agreement provides for a retainage of ten percent of each payment to be made to the Contractor. The retainage is to be released in accordance with the Owner-Contractor Agreement.

The preliminary schedule for reaching substantial completion, as defined in the Owner-Contractor Agreement, is as follows:

Community Center	01/10/2022
Terrace Building	02/07/2022
Parkview Building	05/05/2022

If the Contractor fails to meet the above schedule in accordance with the Owner-Contractor Agreement, the Contractor will be liable for liquidated damages to the Corporation. The amount of daily liquidated damages is based on estimated daily interest on the Series 2021 Bonds of \$13,830 during the first 90 days and thereafter, is based on \$18,780 that also includes \$4,950 of estimated daily operation expenses as shown in the table below. Actual start dates, substantial completion, and daily interest will be determined after the closing of the Series 2021 Bonds.

Phase	%	Liquidated Damages		Start Date	Substantial Completion	Days			
		< 90 Days	> 90 Days			1-30	31-60	61-90	90+
						25%	50%	75%	100%
Parkview	59.8%	\$8,265	\$11,223	12/1/2020	5/5/2022	\$2,066	\$4,133	\$6,199	\$11,224
Terrace	23.0%	\$3,176	\$4,313	12/28/2020	2/7/2022	\$794	\$1,588	\$2,382	\$4,313
Commons	17.3%	\$2,388	\$3,243	12/10/2020	1/10/2022	\$597	\$1,194	\$1,791	\$3,243

Construction Monitor

The construction consulting firm of Alcala Construction Management, Inc. (the “Construction Monitor”), a full-service national construction consulting company founded in 2007 specializing in the senior living industry, is serving as construction monitor to review construction progress, quality, and contractor requisition requests on a monthly basis during the construction period. The Construction Monitor has developed unique and proprietary, industry-specific due-diligence, construction consulting and facility assessment services to fulfill financial institutions’ requirements for start-up, expansion, and renovation projects.

Prior to construction, the Construction Monitor’s responsibilities included conducting a review of the Project’s scope, including engineering designs, project budgets, drawings, specifications, permits, construction contracts and fees, and issuing a final Pre-Construction Document Review Report.

During the construction process, the Construction Monitor will be responsible for the following actions in connection with the construction of the Project: (i) reviewing and certifying all disbursement requests for the payment of expenses incurred for work, labor, materials and equipment furnished by or on behalf of the Construction Manager under the Construction Contract; (ii) monitoring such items as change orders, budget amendments, updates to the construction schedule, releases of liens, governmental approvals and the final as-built survey, and (iii) preparing a monthly report on the status of construction including: construction schedule, application of payments, budget, quality issues/open items, and recap of construction contract items.

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APPENDIX B
FEASIBILITY STUDY

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**Gurwin Independent Housing, Inc.
d/b/a Fountaingate Gardens**

Financial Feasibility Study

Five Years Ending December 31, 2025

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens
Financial Feasibility Study
Five Years Ending December 31, 2025

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INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

Board of Directors
Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens
Commack, New York

We have prepared a financial feasibility study of the plans of Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens (the "Corporation") to undertake the development of an entrance fee based senior living community known as Fountaingate Gardens (the "Project") in Commack, New York.

The Corporation is a not-for-profit corporation formed to develop, construct and own the Project. The Corporation is supported by fundraising activities of the Gurwin Jewish Geriatric Foundation d/b/a Gurwin Jewish Healthcare Foundation ("Foundation") and is contractually related to entities that are part of the "Gurwin Healthcare System", which provides a full continuum of care, including skilled nursing care, rehabilitation care, assisted living care, home care, and an adult day health care services from a 24-acre campus (the "Gurwin Campus") in Commack, New York. Skilled nursing and rehabilitation care is offered in The Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island, Inc. d/b/a Gurwin Jewish Nursing and Rehabilitation Center ("Gurwin Nursing"), which includes 460 skilled nursing beds. Assisted living care is offered in the Long Island Housing Development Fund Corporation d/b/a Gurwin Jewish-Fay J. Lindner Residences ("Lindner Residences"), which includes 201 assisted living apartments.

Management of the Corporation and Gurwin Nursing ("Management") expects the Project to include the construction of 102 independent living apartments and 27 independent living terrace units (collectively defined as the "Independent Living Units") and associated common spaces, to be located on 10.47 acres of land adjacent to the Gurwin Campus.

The feasibility study was undertaken to evaluate the Corporation's ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed issuance of \$103,245,000 the Town of Huntington Local Development Corporation Revenue Bonds (The Fountaingate Gardens Project) Series 2021 (the "Series 2021 Bonds").

As provided by the Corporation's underwriter, Herbert J. Sims & Co., Inc. (the "Underwriter"), the Series 2021 Bonds are assumed to consist of:

- \$39,745,000 of unrated tax-exempt fixed rate bonds (the "Series 2021A Bonds"), assumed to be issued at an original issue discount, with an assumed interest rates ranging from 5.45 to 6.00 percent per annum, consisting of term maturities to July 1, 2056; and

- \$63,500,000 of unrated tax-exempt Entrance Fee Principal Redemption Bonds (the “Series 2021 B/C Bonds”), assumed to be issued at an original issue discount, with assumed interest rates ranging from 3.500 to 3.875 percent per annum. The Series 2021B/C Bonds consist of \$32,500,000 of Series 2021B Bonds and \$31,000,000 of Series 2021C Bonds. The Series 2021B Bonds have a maximum stated maturity date of July 1, 2027, assumed to be redeemed in full by April 2024. The Series 2021C Bonds have a maximum stated maturity of July 1, 2025, assumed to be redeemed in full by April 2023.

Proceeds from the Series 2021 Bonds, a subordinate loan from the Foundation, a contribution from the Foundation, initial entrance fees and interest earnings on trustee-held funds are assumed to be used as follows:

- To pay for costs of the Project, including design, development, construction and marketing costs;
- To repay a pre-finance loan;
- To fund debt service reserve funds for the Series 2021 Bonds;
- To fund interest on the Series 2021 Bonds for a period of approximately 24 months; and
- To pay costs associated with the issuance of the Series 2021 Bonds.

Our procedures included analysis of:

- The Corporation’s history, objectives, timing and financing;
- Future demand for the Corporation’s services, including consideration of:
 - Socioeconomic and demographic characteristics of the defined market area;
 - Locations, capacities and competitive information pertaining to other existing and planned facilities in the market area; and
 - Forecasted occupancy and utilization levels.
- Costs associated with the Project, the Corporation’s debt service requirements and estimated financing costs;
- Staffing requirements, salaries and wages, related fringe benefits and other operating expenses;
- Anticipated entrance fees, monthly fees and per diem charges for each resident of the Project;
- Sources of other operating and non-operating revenues;
- Revenue/expense/volume relationships; and,
- Depositor files.

The accompanying financial forecast for each of the years in the five-year period ending December 31, 2025 is based on assumptions that were provided by, or reviewed with and approved by, Management. The financial forecast includes the following financial statements and the related summary of significant forecast assumptions and rationale:

- Forecasted Statements of Operations and Changes in Net Assets (Deficit);
- Forecasted Statements of Cash Flows;
- Forecasted Balance Sheets; and
- Forecasted Financial Ratios.

We have examined the accompanying forecast of the Corporation, based on the guidelines for the presentation of a forecast by the American Institute of Certified Public Accountants (“AICPA”). Management is responsible for preparing and presenting the forecast in accordance with the guidelines for the presentation of a forecast established by the AICPA. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the AICPA, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Legislation and regulations at all levels of government have affected and may continue to affect the operations of continuing care retirement communities. The financial forecast is based upon legislation and regulations currently in effect. If future legislation or regulations related to the Corporation’s operations are subsequently enacted, such legislation or regulations could have a material effect on future operations.

The highly contagious respiratory disease named “coronavirus disease 2019” (“COVID-19”) and associated pandemic has resulted in significant disruption of the U.S economy and financial markets, increased demands for health care services and safety protocols and has curtailed certain aspects of public life. What, if any, long-term impact of COVID-19 on the economy, the senior living industry, and the Corporation is unknown as the date of this report. The financial forecast is based on Management’s assumptions that there will not be any long-term impact to the Corporation as a result of COVID-19.

Management’s financial forecast is based on the achievement and maintenance of occupancy levels and re-occupancy of units vacated by residents. We have not been engaged to evaluate the effectiveness of Management, and we are not responsible for future marketing efforts and other Management actions upon which actual results will depend.

The assumed interest rates, principal payments and other financing assumptions are described in the section entitled “Summary of Significant Forecast Assumptions and Rationale.” If actual interest rates or principal payments are different from those assumed in this study, the amount of the Series 2021 Bonds and associated debt service requirements would need to be adjusted accordingly from those indicated in the forecast. If such interest rates and principal payments are lower than those assumed, such adjustments would not adversely affect Management’s forecast.

Our conclusions are presented below:

- In our opinion, the accompanying financial forecast is presented, in all material respects, in accordance with guidelines for presentation of a financial forecast established by the AICPA.
- In our opinion, the underlying assumptions provide a reasonable basis for Management’s forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.
- The accompanying financial forecast indicates that sufficient funds could be generated to meet the Corporation’s operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed Series 2021 Bonds, during the forecast period. However, the achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Dixon Hughes Goodman LLP

Atlanta, Georgia
February 12, 2021

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Forecasted Statements of Operations and Changes in Net Assets (Deficit) For the Years Ending December 31, (In Thousands)

	2021	2022	2023	2024	2025
Revenues:					
Independent living service fee revenue	\$ -	\$ 1,621	\$ 6,142	\$ 7,987	\$ 8,278
Health care fees for permanent transfers	-	19	182	382	797
Other revenue	-	81	307	399	414
Amortization of earned entrance fees	-	1,080	2,857	3,839	4,250
Investment income	-	254	345	369	485
Total revenues	-	3,055	9,833	12,976	14,224
Expenses:					
General and administrative services	540	1,700	1,740	1,872	1,861
Health services	-	66	436	871	1,550
Maintenance	-	1,516	2,048	2,109	2,173
Food services	-	1,107	1,889	2,304	2,381
Housekeeping	-	320	482	551	575
Marketing (initial Project related costs)	2,362	927	-	-	-
Shared Services Fee	-	141	198	231	256
Interest expense - Subordinate Loan	-	40	80	80	47
Interest expense	-	3,099	3,634	3,000	2,416
Depreciation	-	2,048	2,474	2,492	2,512
Amortization of deferred marketing costs	-	95	114	114	114
Total expenses	2,902	11,059	13,095	13,624	13,885
Operating income (loss)	(2,902)	(8,004)	(3,262)	(648)	339
Contribution - land	4,675	-	-	-	-
Change in net assets (deficit)	1,773	(8,004)	(3,262)	(648)	339
Net assets (deficit), beginning of year	(1,962)	(189)	(8,193)	(11,455)	(12,103)
Net assets (deficit), ending of year	\$ (189)	\$ (8,193)	\$ (11,455)	\$ (12,103)	\$ (11,764)

See accompanying Summary of Significant Forecast Assumptions and Rationale and
Independent Accountants' Examination Report

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Forecasted Statements of Cash Flows For the Years Ending December 31, (In Thousands)

	2021	2022	2023	2024	2025
Cash flows from operating activities:					
Change in net assets (deficit)	\$ 1,773	\$ (8,004)	\$ (3,262)	\$ (648)	\$ 339
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities:					
Depreciation	-	2,048	2,474	2,492	2,512
Amortization of deferred marketing costs	-	95	114	114	114
Amortization of deferred financing costs and original issue discount	-	812	539	629	54
Amortization of earned entrance fees	-	(1,080)	(2,857)	(3,839)	(4,250)
(Decrease) increase in accrued interest - Series 2021 Bonds	1,767	(131)	(405)	(50)	-
(Decrease) increase in accrued interest - Subordinate Loan	66	80	80	80	(564)
Net change in other current assets and liabilities	-	339	18	33	49
Entrance fees received - attrition (non-refundable)	-	296	1,165	2,051	2,734
Net cash provided by (used in) operating activities	3,606	(5,545)	(2,134)	862	988
Cash flows from investing activities:					
Purchase of property and equipment	(52,859)	(27,413)	-	-	-
Routine capital additions	-	(200)	(175)	(188)	(202)
Interest cost capitalized during construction period, net	(3,950)	(2,273)	-	-	-
(Increase) decrease in assets limited as to use	(41,844)	7,452	22,414	10,487	(415)
(Increase) decrease in assets limited as to use, current	-	-	(1,211)	30	(243)
Change in investments	3,920	-	-	(13,628)	3,170
Net cash provided by (used in) investing activities	(94,733)	(22,434)	21,028	(3,299)	2,310
Cash flows from financing activities:					
Initial entrance fees received	-	45,630	27,483	8,268	-
Entrance fees received - attrition (refundable)	-	279	1,099	1,936	2,580
Entrance fees refunded	-	(415)	(1,280)	(1,638)	(1,807)
Proceeds from Pre-Finance Loan	2,133	-	-	-	-
Issuance of Series 2021 Bonds	103,245	-	-	-	-
Deferred financing costs	(2,354)	-	-	-	-
Original issue discount	(798)	-	-	-	-
Principal payments on Subordinate Loan	-	-	-	-	(4,000)
Principal payments on Pre-Finance Loan	(11,699)	-	-	-	-
Principal payments on Series 2021 Bonds	-	(14,945)	(43,375)	(5,180)	-
(Decrease) increase in resident deposits	1,433	(3,004)	(2,662)	(855)	-
Net cash provided by (used in) financing activities	91,960	27,545	(18,735)	2,531	(3,227)
Net increase (decrease) in cash and cash equivalents	\$ 833	\$ (434)	\$ 159	\$ 94	\$ 71
Beginning balance of cash and cash equivalents	-	833	399	558	652
Ending balance of cash and cash equivalents	\$ 833	\$ 399	\$ 558	\$ 652	\$ 723

See accompanying Summary of Significant Forecast Assumptions and Rationale and
Independent Accountants' Examination Report

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Forecasted Balance Sheets As of December 31, (In Thousands)

	2021	2022	2023	2024	2025
Assets					
Current assets:					
Cash and cash equivalents	\$ 833	\$ 399	\$ 558	\$ 652	\$ 723
Bond Fund - Series 2021 Bonds	-	-	1,211	1,181	1,424
Accounts receivable, net	-	47	182	240	260
Prepaid expenses and other assets	-	199	279	326	361
Inventory	-	13	19	22	24
Total current assets	833	658	2,249	2,421	2,792
Investments	-	-	-	13,628	10,458
Assets limited as to use:					
Project Fund	28,549	-	-	-	-
Funded Interest Fund	6,668	1,962	-	-	-
Debt Service Reserve Fund - Series 2021A Bonds	2,850	2,850	2,850	2,850	2,850
Debt Service Reserve Fund - Series 2021B Bonds	1,259	1,259	1,259	-	-
Debt Service Reserve Fund - Series 2021C Bonds	1,085	1,085	-	-	-
Entrance Fee Fund	-	21,685	6,498	-	-
Operating Reserve Fund	-	3,000	3,380	3,728	4,143
Working Capital Fund	-	4,122	2,224	-	-
Resident Deposits	6,520	3,516	854	-	-
Total assets limited as to use	46,931	39,479	17,065	6,578	6,993
Property and equipment	63,501	93,387	93,562	93,750	93,952
less accumulated depreciation	-	(2,048)	(4,522)	(7,014)	(9,526)
Net property and equipment	63,501	91,339	89,040	86,736	84,426
Other assets					
Deferred marketing costs, net	1,250	1,155	1,041	927	813
Total assets	\$ 112,515	\$ 132,631	\$ 109,395	\$ 110,290	\$ 105,482

**See accompanying Summary of Significant Forecast Assumptions and Rationale and
Independent Accountants' Examination Report**

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Forecasted Balance Sheets (continued) As of December 31, (In Thousands)

	2021	2022	2023	2024	2025
Liabilities and Net Assets (Deficit)					
Current liabilities:					
Accounts payable	\$ -	\$ 399	\$ 558	\$ 652	\$ 723
Accrued expenses	-	199	279	326	361
Accrued interest - Series 2021 Bonds	1,767	1,636	1,231	1,181	1,181
Current maturities of long-term debt	-	-	-	-	485
Resident deposits	6,520	3,516	854	-	-
Total current liabilities	8,287	5,750	2,922	2,159	2,750
Subordinate Loan	4,000	4,000	4,000	4,000	-
Accrued interest - Subordinate Loan	324	404	484	564	-
Series 2021 Bonds, less current maturities	103,245	88,300	44,925	39,745	39,260
Net original issuance discount - Series 2021 Bonds	(798)	(628)	(439)	(371)	(354)
Deferred financing costs, net	(2,354)	(1,712)	(1,362)	(801)	(764)
Series 2021 Bonds, net	100,093	85,960	43,124	38,573	38,142
Refundable entrance fees	-	22,017	35,179	39,490	40,264
Deferred revenue from entrance fees, net of amortization	-	22,693	35,141	37,607	36,090
Total liabilities	112,704	140,824	120,850	122,393	117,246
Net assets (deficit):					
Without donor restrictions	(189)	(8,193)	(11,455)	(12,103)	(11,764)
Net assets (deficit)	(189)	(8,193)	(11,455)	(12,103)	(11,764)
Total liabilities and net assets (deficit)	\$ 112,515	\$ 132,631	\$ 109,395	\$ 110,290	\$ 105,482

**See accompanying Summary of Significant Forecast Assumptions and Rationale and
Independent Accountants' Examination Report**

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Forecasted Financial Ratios For the Years Ending December 31, (In Thousands, Except for Ratios)

Long-Term Debt Service Coverage Ratio	2025
Change in net assets (deficit)	\$ 339
Deduct:	
Entrance fee amortization	(4,250)
Add:	
Depreciation	2,512
Amortization of deferred marketing costs	114
Interest expense	2,416
Entrance fees received - attrition (non-refundable)	2,734
Entrance fees received - attrition (refundable)	2,580
Entrance fees refunded	(1,807)
Income Available for Debt Service	\$ 4,638
Maximum Annual Debt Service ^(a)	\$ 2,850
Long Term Debt Service Coverage Ratio	1.63 x

Days Cash on Hand	2025
Cash and investments	\$ 723
Investments	10,458
Operating Reserve Fund	4,143
Cash on hand	\$ 15,324
 Total expenses	 13,885
Less:	
Depreciation	(2,512)
Amortization of deferred marketing costs	(114)
Amortization of deferred financing costs and original issue discount	(54)
Interest expense - Subordinate Loan	(47)
Total expenses less depreciation and amortization	11,158
Daily operating expenses ^(b)	31
Days cash on hand	494

(a) The Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year other than the debt service requirements on the Series 2021B/C Bonds.

(b) Daily operating expenses are equal to total operating expenses less depreciation, amortization, and interest expense related to the Subordinate Loan divided by 365 days.

**See accompanying Summary of Significant Forecast Assumptions and Rationale and
Independent Accountants' Examination Report**

Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens

Summary of Significant Forecast Assumptions and Rationale

Basis of Presentation

The accompanying financial forecast presents, to the best of the knowledge and belief of Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens (the “Corporation”), the expected balance sheets, results of operations, and cash flows as of and for each of the five years ending December 31, 2025. Accordingly, the financial forecast reflects the judgment of management of the Corporation and Rosalind and Joseph Gurwin Jewish Geriatric Center of Long Island, Inc. d/b/a Gurwin Jewish Nursing and Rehabilitation Center (“Gurwin Nursing”) (collectively, “Management”) as of February 12, 2021, the date of this forecast, of the expected conditions and its expected course of action during the forecast period. However, there will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Background

The Corporation, established in 2014, is a New York not-for-profit corporation which was created to develop, construct and own a senior living retirement community consisting of independent living apartments and amenities to be known as “Fountaingate Gardens”. The Corporation is exempt from federal income tax as described under Section 501(c)(3) of the Internal Revenue Code.

The affairs of the Corporation are managed by a voluntary board of directors (the “Board”) whose serve without compensation. All corporate powers of the Corporation are exercised by or under the authority of the Board. The members of the Board have a term of no greater than three years, but without term limitation. The Board currently consists of 10 members and six committees.

The Corporation is supported by fundraising activities of the Gurwin Jewish Geriatric Foundation d/b/a Gurwin Jewish Healthcare Foundation (the “Foundation”) and is contractually related to entities that are part of the “Gurwin Healthcare System”, which provides a full continuum of care, including skilled nursing care, rehabilitation care, assisted living care, home care, and an adult day health care services from a 24-acre campus (the “Gurwin Campus”) in Commack, New York. The Gurwin Campus currently includes:

- Gurwin Nursing, which includes 460 skilled nursing beds (the “Nursing Beds”);
- Long Island Housing Development Fund Corporation d/b/a Gurwin Jewish-Fay J. Lindner Residences (“Lindner Residences”), an assisted living community with 201 assisted living apartments (the “Assisted Living Units”), including a dementia care unit;
- Gurwin Adult Day Health Program; and
- Gurwin Home Care Agency.

Gurwin Nursing and Lindner Residences are collectively referred to as the “Gurwin Health Care Facilities.”

The Project

The Project is to be located on 10.47 acres adjacent to the Gurwin Campus (the “Project Site”) and is to include 129 independent living units (the “Independent Living Units”) and common areas and amenities. The Independent Living Units include the Parkview (“The Parkview”) with 102 independent living units in a five-story building and the Terraces (“The Terraces”) with 27 units in a four-story building. Common areas and amenities include dining venues, fitness center, aquatic center with indoor pool and whirlpool spa, spa and salon services, multi-purpose room, wellness center, game room with wet bar, cultural arts center, library, convenience store, paved walking trails, and outdoor terrace.

The following table summarizes the type, number, approximate square footages, entrance fees (“Entrance Fees”) and monthly fees (“Monthly Fees”) for the Independent Living Units:

Table 1
Independent Living Unit Configuration

Unit Type	Number of Units	Square Footage	Entrance Fees ⁽¹⁾⁽²⁾			Monthly Fees ⁽¹⁾⁽²⁾	
			Declining Balance	50% Refundable	80% Refundable	50% & 80% Refundable Plans	Declining Balance Plan
The Parkview							
One Bedroom							
Oak	2	824	\$352,100	\$449,100	\$598,800	\$3,450	\$3,200
Maple	20	828	\$349,450	\$445,735	\$594,290	\$3,450	\$3,200
One Bedroom Den							
Laurel	8	954	\$468,350	\$597,363	\$796,475	\$4,230	\$3,980
Elm	8	964	\$426,375	\$543,850	\$725,150	\$3,870	\$3,620
Willow	12	1,040	\$440,917	\$562,433	\$749,883	\$3,880	\$3,630
Spruce	1	1,095	\$479,700	\$611,900	\$815,900	\$4,500	\$4,250
Holly	8	1,140	\$494,838	\$631,175	\$841,525	\$4,540	\$4,290
Two Bedroom							
Birch	16	1,057	\$459,850	\$586,513	\$782,013	\$4,230	\$3,980
Cherry	4	1,126	\$453,775	\$578,800	\$771,725	\$4,500	\$4,250
Two Bedroom Den							
Dogwood	16	1,280	\$558,975	\$713,013	\$950,675	\$4,880	\$4,630
Walnut	7	1,350	\$544,514	\$694,586	\$926,071	\$5,080	\$4,830
Subtotal – The Parkview	102	1,055	\$455,964	\$581,596	\$775,446	\$4,190	\$3,940
The Terraces							
One Bedroom							
Lily	3	1,068	\$453,976	\$579,067	\$772,100	\$4,230	\$3,980
One Bedroom Den							
Rose	9	1,000	\$498,989	\$636,478	\$848,622	\$4,330	\$4,080
Two Bedroom							
Lilac	3	1,234	\$539,400	\$688,033	\$917,367	\$4,920	\$4,670
Iris	3	1,392	\$593,700	\$757,267	\$1,009,667	\$5,330	\$5,080
Two Bedroom Den							
Azalea	6	1,417	\$622,050	\$793,417	\$1,057,900	\$5,370	\$5,120
Tulip	3	1,581	\$642,967	\$820,133	\$1,093,467	\$5,630	\$5,380
Subtotal – The Terraces	27	1,234	\$552,344	\$704,530	\$939,363	\$4,871	\$4,621
Total/Weighted Ave.	129	1,092	\$476,136	\$607,326	\$809,754	\$4,333	\$4,083
Life Care Fee ⁽³⁾			\$68,750	\$68,750	\$68,750	\$930	\$930
Second Person Fees ⁽⁴⁾			\$17,500	\$21,000	\$27,300	\$876	\$876

Source: Management

Notes to Table

- (1) Entrance Fees shown are those currently being marketed to potential residents. Monthly Fees are shown in 2022 dollars.
- (2) Entrance Fees and Monthly Fees shown are for the modified life care contract (the “Modified Contract”) in which residents receive sixty lifetime days at Lindner Residences and sixty lifetime days at Gurwin Nursing.
- (3) Prospective residents of the Project have the option of paying an additional per person Life Care Fee to provide for unlimited days in the Gurwin Health Care Facilities under a life care contract (the “Life Care Contract”).
- (4) The second person Entrance Fee does not apply when the second person purchases the Life Care Contract. The life care Monthly Fee applies to both residents if both chose the Life Care Contract.

Timeline of the Project

The anticipated timeline for financing, construction completion and fill-up of the Project is shown below.

Table 2
Anticipated Project Timeline

Date	Item
November 2020	Site clearing
March 2021	Close on Project financing and construction commencement
March 2022	The Terraces Independent Living Units available for occupancy
June 2022	The Parkview Independent Living Units available for occupancy
August 2024	Independent Living Units achieve stable occupancy of 94 percent

Source: Management

Summary of Significant Agreements

Development Consulting Agreement

The Corporation entered into a development consulting agreement with Eventus Strategic Partners (“Eventus”) in 2014 and amended in March 2020 (the “Development Consulting Agreement”), pursuant to which Eventus has provided development consulting services related to the Project, including: maintaining the overall direction for the development of the Project and timeline; development planning; development team engagement and management; coordination of architectural, construction and interiors plans; and coordinating and overseeing the approved operating and construction budget, as well as financing activities.

Eventus is to be paid a development consulting fee totaling approximately \$3,264,000. Upon closing of the financing for the Project, approximately \$2,477,000 will have been paid, with \$787,000 to be paid over the construction period. The Corporation is also to reimburse Eventus for out-of-pocket expenses associated with the development consulting services provided.

Shared Services Agreement

The Corporation has entered into a shared service agreement dated September 1, 2020 with Gurwin Nursing (the “Shared Services Agreement”) to provide certain supporting management services necessary to operate the Project, including but not limited to financial management, purchasing, public relations, recruitment of personnel and supervision of the day-to-day operations and programs of the Project. The Shared Services Agreement shall have a term of five years, commencing on the date on which the Corporation receives the certificate of occupancy for the first residential building at the Project. As compensation for services rendered under the Shared Services Agreement, the Corporation is to pay a shared services fee to Gurwin Nursing monthly at 3.0 percent of total monthly operating expenses, exclusive of interest, depreciation and amortization (the “Shared Services Fee”). The Corporation will also reimburse Gurwin Nursing for the portion of the salaries and benefits of Gurwin Nursing personnel who provide services, other than healthcare services, to the Project.

Health Care Service Agreements

The Corporation has entered into agreements dated March 24, 2020 for both skilled nursing services and assisted living services (the “Health Care Service Agreements”) with the Gurwin Health Care Facilities to provide for skilled nursing and assisted living care to residents of the Project. Under the Health Care Service Agreements, the Gurwin Health Care Facilities agree to provide the first available room at the appropriate level of care to the resident of the Project and to bill the Corporation for such services (the “Gurwin Health Care Services Fees”).

If the resident is a Life Care Contract resident and requires services which are not covered by Medicare or supplemental coverage insurance, the Gurwin Health Care Facilities will bill the Corporation for the services provided to the resident at the Gurwin Health Care Facilities’ then current agreed upon daily rate, which may be adjusted annually, but by no more than the Gurwin Health Care Facilities adjusts same its other private pay residents

If the resident is a Modified Contract resident and has exhausted his or her available days of assisted living or skilled nursing at the Gurwin Health Care Facilities and requires services not covered by Medicare, the Gurwin Health Care Facilities will bill Corporation for the services at the Gurwin Health Care Facilities' then current private pay daily rate.

Liquidity Support Agreement

The Foundation, the Corporation, and U.S. Bank National Association (the "Master Trustee") are to enter into a liquidity support agreement (the "Liquidity Support Agreement") upon the closing of the Series 2021 Bonds. Pursuant to the Liquidity Support Agreement, the Foundation will provide a letter of credit or cash deposit to be held in an account (the "Support Account") with the Master Trustee in an amount equal to \$5,000,000 (the "Support Obligation") and agree to provide for the contribution of funds in the event there are insufficient funds on deposit in the Working Capital Fund or Operating Reserve Fund (hereinafter defined), or to pay the principal and interest on the Series 2021 Bonds coming due. In the event that the Support Obligation is fully expended, the Foundation will replenish the Support Account with an additional \$5,000,000. The Corporation's obligation to repay the Foundation for any draws on the Support Obligation will constitute subordinated indebtedness of the Corporation and may not be repaid until satisfaction of the following conditions: (i) repayment of the Series 2021B Bonds and Series 2021C Bonds, (ii) occupancy of 85 percent for consecutive test periods, and (iii) certification of compliance with all covenants as specified in the Support Agreement, (iv) no event of default has occurred, and (v) there is no deficiency in the Debt Service Reserve Fund (hereinafter defined). The Support Agreement will remain in effect until (i) certification of compliance with the marketing covenant of the Series 2021 Bonds for four consecutive test periods and (ii) no event of default has occurred. For purposes of the forecast, Management has not forecasted draws on the Support Obligation.

Resident Entrance Fee Guaranty Agreement

The Foundation, the Corporation, and the Master Trustee are to enter into an entrance fee guaranty agreement (the "Entrance Fee Guaranty Agreement") upon the closing of the Series 2021 Bonds. Pursuant to the Entrance Fee Guaranty Agreement, the Foundation will provide a letter of credit or cash deposit to be held in an account (the "Guaranty Account") with the Master Trustee and have a maximum obligation of \$2,850,000 (the "Guaranty Obligation"). The Corporation's obligation to repay the Foundation for any draws on the Guaranty Obligation will constitute subordinated indebtedness of the Corporation and may not be repaid until satisfaction of the following conditions: (i) repayment of the Series 2021B Bonds and Series 2021C Bonds, (ii) certification of compliance with all covenants as specified in the Entrance Fee Guaranty Agreement, and (iii) no event of default has occurred. The Entrance Fee Guaranty Agreement will remain in effect until (i) the Series 2021B Bonds and the Series 2021C are no longer outstanding, (ii) the percentage of occupied Independent Living Units will equal 85 percent or more for four months immediately preceding consecutive occupancy quarters, (iii) certification of compliance with certain covenants of Series 2021 Bonds and (iv) no event of default has occurred. Any Guaranty Obligation remaining after the conditions for terminating the Entrance Fee Guaranty Agreement have been met will be transferred to the Liquidity Support Account under the Liquidity Support Agreement. For purposes of the forecast, Management has not forecasted draws on the Guaranty Obligation.

Marketing Services Agreement

The Corporation has entered into a marketing services agreement (the “Marketing Services Agreement”) with Retirement Dynamics, Inc. (the “Marketing Consultant”) to provide marketing and sales consulting services. As compensation for services rendered pursuant to the Marketing Services Agreement, the Corporation is expected to pay the Marketing Consultant a marketing fee (the “Marketing Fee”). The Marketing Consultant is assumed to earn a portion of the Marketing Fee in the amount of \$12,500 for compensation of the services to be provided as a result of an initial market assessment. Additionally, the Marketing Consultant is assumed to earn a retainer of \$15,000 per month for the initial three months and \$5,000 per month thereafter, as well as a \$3,000 incentive for each sale/reservation of the Independent Living Units for compensation of the services to be provided.

Summary of Financing

Pre-Finance Capital

Prior to the issuance of the Series 2021 Bonds, the Corporation is assumed to have funded approximately \$19,699,000 of preliminary costs associated with the development of the Project from proceeds of a pre-finance loan from the Foundation in the amount of \$11,699,000 (the “Pre-Finance Loan”), from contributions from the Foundation of approximately \$4,000,000 (the “Pre-Finance Contributions”) and an approximate \$4,000,000 subordinate loan from the Foundation (the “Subordinate Loan”). The Corporation intends to repay approximately \$11,699,000 of the Pre-Finance Loan from proceeds of the Series 2021 Bonds. The principal and accrued interest on the Subordinate Loan are assumed to be paid during fiscal year 2025 from operations.

Series 2021 Bonds

The total financial requirements to fund costs of the Project and to repay the Pre-Finance Loan is assumed to approximate \$124,283,000. The Corporation proposes to fund these financial requirements through the issuance of \$103,245,000 the Town of Huntington Local Development Corporation Revenue Bonds (Fountaingate Gardens Project) Series 2021 (the “Series 2021 Bonds”), the Subordinate Loan, contributions from the Foundation, initial Entrance Fees, and interest earnings on trustee-held funds. The Corporation is to be solely responsible for the payment of debt service on the Series 2021 Bonds.

The Project Site has been contributed by the Foundation to the Corporation. The current appraised value of the Project Site is approximately \$4,675,000. In connection with the issuance of the Series 2021 Bonds, the Corporation will subsequently contribute the value of the Project Site as a cost of the Project.

Management has assumed the following sources and uses of funds in preparing its financial forecast based on information provided by Herbert J. Sims & Co., Inc. (the “Underwriter”).

Table 3
Sources and Uses of Funds
(In Thousands)

Sources of Funds:	Total
Series 2021A Bonds ⁽¹⁾	\$39,745
Series 2021B/C Bonds ⁽¹⁾	63,500
Series 2021 Bonds	103,245
Original Issue Discount ⁽¹⁾	(798)
Series 2021 Bonds, net	102,447
Subordinate Loan from the Foundation ⁽²⁾	4,000
Contributions ⁽³⁾	8,675
Initial Entrance Fees ⁽⁴⁾	9,000
Interest earnings on trustee held funds ⁽⁵⁾	161
Total Sources of Funds	\$124,283
Uses of Funds:	
Project Costs:	
Total direct construction costs ⁽⁶⁾	\$63,214
Design and engineering costs ⁽⁷⁾	5,370
Land ⁽⁸⁾	4,675
Project contingency ⁽⁹⁾	3,887
Development costs ⁽¹⁰⁾	3,450
Indirect construction costs ⁽¹¹⁾	2,379
Marketing costs ⁽¹²⁾	10,475
Fees and permits ⁽¹³⁾	3,639
Pre-opening expenses ⁽¹⁴⁾	750
Pre-finance costs ⁽¹⁵⁾	617
Total Project related costs	\$98,456
Less: Project related costs funded by Pre-Finance Loan ⁽¹⁶⁾	(11,699)
Total Project related costs, net of Pre-Finance Loan	\$86,757
Repayment of Pre-Finance Loan ⁽¹⁶⁾	11,699
Funded Interest – Series 2021 Bonds ⁽¹⁷⁾	8,614
Debt Service Reserve Fund ⁽¹⁸⁾	5,194
Operating reserve ⁽¹⁹⁾	3,000
Working capital ⁽²⁰⁾	6,665
Cost of issuance and other costs ⁽²¹⁾	2,354
Total Estimated Financing and Other Costs	\$37,526
Total Uses of Funds	\$124,283

Sources: Management, Eventus, and the Underwriter

Notes to the Table:

- (1) According to the Underwriter, the following series of bonds are assumed to be issued at an original issue discount:
 - \$39,745,000 of the Series 2021A Bonds; and
 - \$63,500,000 of the Series 2021B/C Bonds.
- (2) A Subordinate Loan from the Foundation of \$4,000,000 is assumed to be provided to fund certain costs of the Project.
- (3) A total contribution of \$8,706,000 is assumed be made by the Corporation in connection with the issuance of the Series 2021 Bonds, consisting of approximately \$4,000,000 of Pre-Finance Contributions, and \$4,675,000 contributed value of the Project Site.
- (4) Management assumes that approximately \$9,000,000 of initial Entrance Fees are to be used to fund \$6,000,000 of the Working Capital Fund and \$3,000,000 of the Operating Reserve Fund.
- (5) Interest in the amount of approximately \$161,000 is estimated to be earned on the Funded Interest Fund and the Project Fund at 0.20 percent and on the Debt Service Reserve Fund at 0.60 percent based upon information provided by the Underwriter.
- (6) Direct construction costs related to the construction of the Project are assumed to approximate \$63,214,000, based on a guaranteed maximum price contract (the "GMP Contract") totaling approximately \$60,374,000 (which includes a contractor's contingency of approximately \$1,122,000) provided by the Corporation's contractor, LECESSE Construction, off site road and traffic costs of \$150,000, and owner-controlled construction budgets of approximately \$2,690,000.
- (7) Design and engineering costs are assumed to approximate \$5,370,000 based on contractual agreements with the Corporation's interior designer, engineers and architects.
- (8) Land and land related costs approximate \$4,675,000 and include value of the land contributed by the Corporation.
- (9) Management has included a project contingency of \$3,887,000 as part of the overall Project-related costs.
- (10) Development costs of approximately \$3,450,000 include \$3,264,000 of development consulting fees paid to Eventus for the Project.
- (11) Indirect construction costs are assumed to approximate \$2,379,000 and include expenses primarily related to furniture, fixtures and equipment as provided by Management.
- (12) Marketing costs related to the Project are estimated to approximate \$10,475,000. This includes marketing expense of \$9,225,000 related to direct marketing and advertising costs, salaries and benefits, marketing sales services and promotion materials, and capitalized marketing costs of \$1,250,000 related to incremental marketing expenditures incurred specifically to obtain the Resident contract.
- (13) Fees and permits include expenses related to engineering permitting, legal, and other expenses and approximate \$3,639,000.
- (14) Approximately \$750,000 of proceeds from the Series 2021 Bonds are assumed to be used to fund certain pre-opening costs.
- (15) Pre-finance costs include approximately \$617,000 of interest related to the Pre-Finance Loan.
- (16) Approximately \$11,699,000 of proceeds from the Series 2021 Bonds are assumed to be used for the repayment of the Pre-Finance Loan.
- (17) The Underwriter has estimated \$8,614,000 of proceeds from the Series 2021 Bonds, including investment earnings on trustee-held funds, to be used to fund interest payments for approximately 24 months from the date of issuance of the Series 2021 Bonds.
- (18) Deposit to the Debt Service Reserve Funds for the Series 2021 Bonds are assumed to total approximately \$5,194,000.
- (19) Approximately \$3,000,000 of initial Entrance Fees are assumed to fund an Operating Reserve Fund.
- (20) Approximately \$6,000,000 of initial Entrance Fees and \$665,000 of proceeds from the Series 2021 Bonds are assumed to be used to fund a Working Capital Fund.
- (21) Costs of issuance and other costs related to the Series 2021 Bonds are assumed to approximate \$2,354,000 and include the Underwriter's discount, legal fees, feasibility consulting fees, bond issuance fees, the cost for the printing of the preliminary official statement and official statement, title insurance and other miscellaneous financing costs.

Description of the Residency Agreement

To reserve an Independent Living Unit, a prospective resident must execute a residency agreement (the “Residency Agreement”), provide a self-disclosure of his or her health and finances and place a five or 10 percent deposit (the “Entrance Fee Deposit”) on the selected Independent Living Unit (“Depositor”). Five percent deposits (“5% Deposits”) were available on a limited basis from July 2017 to September 2018 (the “5% Depositors”). As of February 12, 2021, four Independent Living Units (approximately six percent) were reserved with 5% Deposits.

The remaining portion of the Entrance Fee is due on or before the occupancy date (the “Occupancy Date”) of the Independent Living Unit in which the Depositor becomes a resident (“Resident”). Upon occupancy, all Residents are expected to pay an ongoing Monthly Fee.

The Corporation accepts persons at least 62 years of age at the time of occupancy, who demonstrate the ability to live independently, meet the financial obligations as a Resident and provide self-disclosure of his or her health and finances. Payment of the Monthly Fee entitles the Resident to occupy the selected Independent Living Unit (the “Residence”) and receive the following services and amenities:

- 30 meals per month;
- All utilities excluding telephone service and premium cable;
- Weekly linen service;
- Repair and maintenance of furnishings, appliances and other property and equipment supplied by the Corporation;
- Scheduled transportation within a 10-mile radius of the Project;
- Real estate and property taxes assessed to the Project;
- 24-hour emergency call system;
- Social, cultural, educational, recreational, and religious activities;
- One covered parking space;
- Basic grounds keeping for the Project;
- Use of the common areas and grounds; and,
- Access to the Gurwin Health Care Facilities.

In addition to the services included in the Monthly Fee, additional services are available to Residents at an additional cost including, but not limited to, additional meals, guest meals, additional maintenance services, additional housekeeping services, beauty/barber shop services and nonscheduled transportation.

The Residency Agreement may be canceled by the Corporation for just cause or by the Resident with 30 days prior written notice to the other party.

Health Care Benefit

The Corporation offers two health care benefits for the Project including a life care contract (the “Life Care Contract”) and a modified life care contract (the “Modified Contract”).

Under the Life Care Contract, upon temporary or permanent transfer to the Gurwin Health Care Facilities, a Resident continues to pay the Monthly Fee associated with the Residence. Second persons continue to pay the second person Monthly Fee associated with the Independent Living Unit selected.

Under the Modified Contract, upon temporary or permanent transfer to the Gurwin Health Care Facilities, the Resident receives 60 cumulative days of care at Lindner Residences and 60 cumulative days of care at Gurwin Nursing and continues to pay the Monthly Fee associated with the Residence. After the Resident has received 60 days of cumulative care at Lindner Residences or Gurwin Nursing, the Resident would continue to pay the Monthly Fee of the Residence as well as the excess between the Monthly Fee of the Residence and 95 percent of the private pay rate charged by Lindner Residences and 90 percent of the private pay rate charged by Gurwin Nursing.

Under both the Life Care Contract and Modified Contract, Residents are required to maintain, at their own cost, Medicare Parts A and B and one supplemental health insurance policy.

In addition to the contracts above, a combined Life Care Contract and Modified Contract (the “Life Care/Modified Contract”) is available for couples under a Declining Balance Plan and 50% Refund Plan in which one spouse is under a Life Care Contract and the other spouse is under a Modified Contract.

Entrance Fee Options

Amortization schedules and provisions for refund upon termination of the Residency Agreement for the three Entrance Fee plans and the Life Care Fee offered for the Independent Living Units are as follows:

Entrance Fee Option	Amortization Schedule
Declining Balance Plan ⁽¹⁾	After 90 days, the refund is reduced by a four percent (4%) administrative fee plus two percent (2%) per month of occupancy until fully amortized and non-refundable. There is no refund after 48 months of occupancy.
50% Refund Plan ⁽¹⁾	After a four percent (4%) administrative fee, the Entrance Fee amortizes at two percent (2%) per month for each month of occupancy for the first 23 months. After the 23rd month, the refund is fixed at 50 percent.
80% Refund Plan	After a four percent (4%) administrative fee, the Entrance Fee amortizes at two percent (2%) per month for each month of occupancy for the first eight months. After the eighth month, the refund is fixed at 80 percent.
Life Care Fee ⁽²⁾	After 90 days, the refund is reduced by a four percent (4%) administrative fee, plus two percent (2%) per month of occupancy until fully amortized and non-refundable. There is no refund after 48 months of occupancy.

Source: Management

(1) The Declining Balance Plan and the 50% Refund Plan are available under the Life Care/Modified Contract.

(2) The Life Care Fee is only applicable to the Life Care Contract.

The following table summarizes the Entrance Fee plans selected by the 71 Depositors and Management's assumed utilization of Residency Agreement options for first generation Residents of the Independent Living Units.

Table 4
Utilization of Residency Agreement Options

Plan Type	Depositors ⁽¹⁾		Management's Assumption	
	Number	Percent of Total	Number	Percent of Total
<u>Life Care Contract</u>				
Declining Balance Plan	6	8.5%	10	8.3%
50% Refund Plan	21	29.5%	34	28.2%
80% Refund Plan	6	8.5%	14	11.5%
Subtotal – Life Care Contract	33	46.5%	58	48.0%
<u>Modified Contract</u>				
Declining Balance Plan	12	16.9%	11	9.0%
50% Refund Plan	19	26.8%	37	30.5%
80% Refund Plan	5	7.0%	15	12.5%
Subtotal – Modified Contract	36	50.7%	63	52.0%
<u>Life Care/Modified Contract</u>				
50% Refund Plan	2	2.8%	–	0.0%
Subtotal – Life Care/Modified Contract	2	2.8%	–	0.0%
Total	71	100.0%	121	100.0%

Source: Management

(1) Depositor information as of February 12, 2021.

Upon termination of the Residency Agreement, the refundable portion of the Entrance Fee (if applicable) would be refunded within 30 days after a new Resident has paid the then current Entrance Fee for the Residence, but no later than one year after the date of termination.

Charter Benefits

Beginning in 2018 and prior to September 2019, the Corporation offered a Founder's Club program (the "Founder's Club"). Since September 2019, the Corporation has offered a charter benefit program (the "Charter Benefit Program") to initial prospective Residents for the Independent Living Units (collectively with the Founder's Club, the "Charter Residents"). As of February 12, 2021, there were 71 Charter Residents.

The benefits of the Founder's Club and Charter Benefit Program include:

- Three- and six-month satisfaction guarantee, respectively;
- Two monthly service fees waived (Founder's Club only);
- Up to \$2,000 towards upgrades or custom features;
- 25 and 12 complementary guest meals during the first year of residency, respectively;
- Complementary lunches provided on the day of move;
- Two hours of complimentary maintenance team assistance during the first month of move-in; and
- Up to \$5,000 towards packing and moving costs (Charter Benefit Program only)

Characteristics of the Market Area

Assumptions for the current and future utilization of the Project were developed by Management based on analysis of the following factors that may affect the demand for the Project's accommodations and services:

- Defined market area for the Project;
- Demographic and socioeconomic characteristics of the defined market area;
- Estimated age- and income-qualified households within the defined market area;
- Description and utilization of existing and proposed comparable retirement communities within the defined market area;
- Penetration rates for independent living services; and,
- Description and utilization of existing assisted living (including memory care) and nursing homes near the Project.

Each of the above factors and the resulting assumed utilization of the Project are described in the following sections.

Site Description

The Project is to be located on 10.47 acres of land adjacent to Lindner Residences and Gurwin Nursing at 50 Hauppauge Road in Commack, Suffolk County, New York and is approximately 44 miles east of New York City. Commack is a hamlet that falls within portions of the Towns of Huntington and Smithtown.

General Area Analysis

Highways

Hauppauge Road provides access to Sunken Meadow Parkway, approximately one mile east of the Project Site. Sunken Meadow Parkway is an approximately six-mile parkway that provides access to New York State Route 25A ("NY-25A") to the north before terminating at Sunken Meadow State Park. NY-25A is the main route that travels from Nassau County to the Suffolk County along the northern shore of Long Island. In addition, Sunken Meadow Parkway provides access to Interstate 495 ("I-495"), approximately seven driving miles south of the Project Site. I-495, commonly referred to as the Long Island Expressway, provides direct access to New York City to the west and the Hamptons to the east.

New York State Route 25, approximately one mile north of the Project Site, also known as Jericho Turnpike, connects Commack to New York City to the west and extends east to the Cross Sound Ferry terminal in Orient. The Northern State Parkway, less than three driving miles south of the Project Site, provides east-west access to the northern portion of Long Island, terminating at the Queens-Nassau County border to the west and continuing westward into New York City as Grand Central Parkway. The Northern State Parkway terminates in Hauppauge to the east.

Public Transportation

The Suffolk County Transit (“SCT”) provides bus service throughout Suffolk County. SCT operates approximately 40 fixed bus routes and extends from the Nassau/Suffolk county line to Orient on the north fork and Montauk on the south fork with limited bus service on Sundays. SCT Route S41 has a stop approximately two miles north of the Project at the intersection of Jericho Turnpike and Commack Road and a stop approximately two miles south of the Project at the intersection of Commack Road and Crooked Hill Road. The Huntington Area Rapid Transit (“HART”) provides public transportation within the Town of Huntington and the surrounding area. HART offers four fixed routes, including Route H10 which provides a stop approximately two miles north of the Project at the intersection of Jericho Turnpike and Larkfield Road.

The Project is located approximately 15 minutes from the Huntington station on the Port Jefferson Branch and the Deer Park station on the Ronkonkoma Branch of the Long Island Railroad (“LIRR”). The LIRR consists of 700 miles of track on 11 major branches from Montauk on the eastern end of Long Island to Penn Station in Manhattan and to the Atlantic Terminal in Brooklyn.

Airports

Long Island MacArthur Airport (“ISP”), located approximately 14 miles east of the Project, is serviced by three airlines (Southwest Airlines, American Airlines and Frontier Airlines) which provided non-stop flights to 10 domestic cities along the east coast. LaGuardia International Airport (“LGA”), located approximately 40 miles west of the Project, is currently serviced by approximately 10 airlines, which provide domestic and international service. John F. Kennedy International Airport (“JFK”), located approximately 40 miles southwest of the Project, is currently serviced by over 70 airlines, which provide domestic and international service.

Hospitals and Medical Centers

The following table shows the hospitals and medical centers near the Project.

Table 5
Hospitals and Medical Centers near the Project

Hospital Name	Location	Driving Miles from the Project	Type of Hospital	Number of Beds
St. Catherine of Siena Hospital	Smithtown – 11787	6.9	Short-Term Acute Care	296
Huntington Hospital	Huntington – 11743	8.1	Short-Term Acute Care	348
South Shore University Hospital ⁽¹⁾	Bay Shore – 11706	10.4	Short-Term Acute Care	305
Good Samaritan Hospital Medical Center	West Islip – 11795	11.1	Short-Term Acute Care	437
Plainview Hospital	Plainview – 11803	15.2	Short-Term Acute Care	204
Stony Brook University Hospital	Stony Brook – 11794	15.6	Short-Term Acute Care	624
St. Joseph Hospital	Bethpage – 11714	18.5	Short-Term Acute Care	203

Source: New York State Department of Health, February 2021.

(1) Formerly known as Southside Hospital.

Cultural and Activities

Commack is a central hub of Long Island, providing access to both north and south shore beaches, the Hamptons, Manhattan, Queens and Brooklyn. Located adjacent to the Project is the Hamlet Golf and Country Club and the Suffolk Y Jewish Community Center.

Local attractions in and surrounding Commack include a variety of shopping, dining, recreation and museums. Mayfair Shopping Center, located approximately three miles northeast of the Project in Commack, is a 222,000 square foot shopping center that is anchored by Best Market. Tanger Outlets, located approximately six miles south from the Project in Deer Park, includes approximately 100 stores, mostly apparel, accessories and jewelry, and footwear.

In addition to the Hamlet Golf and Country Club, other local golf courses near the Project include Dix Hills Park Golf Course, located approximately three miles west of the Project in Dix Hills, and Stonebridge Golf Links and Country Club, located approximately seven miles east of the Project in Smithtown.

Hoyt Farm Nature Preserve, located approximately two miles east of the Project in Commack, offers nature trails, baseball fields, picnic areas, a water park and nature museums. The Berkeley Jackson County Park, located approximately four miles west of the Project in Huntington, is comprised of a 130-acre hiking area.

Other cultural opportunities include the Vanderbilt Museum, located approximately eight miles north of the Project in Centerport. The Vanderbilt Museum includes a museum, planetarium, estate and educational programs. The Art League of Long Island, located approximately four miles west of the Project, provides visual arts education, exhibits and events.

The Project is to be located approximately 44 miles east of New York City, the most populated city in New York. New York City is a world-wide destination offering a wide-range of cultural and recreational opportunities, including plays and musicals on Broadway, Central Park, the Statue of Liberty, Times Square, art collections at numerous museums, including the Museum of Modern Art and the Metropolitan Museum of Art, and professional sports teams for baseball, basketball, football, ice hockey and soccer.

Employment Trends

The unemployment trends for Suffolk County, Nassau County, New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (“New York MSA”), the State of New York (“New York”) and the United States are shown in the following table.

Table 6				
Unemployment Trends				
	2017	2018	2019	2020⁽¹⁾⁽²⁾
Suffolk County	4.5%	3.9%	3.7%	8.7%
Nassau County	4.1%	3.5%	3.4%	8.6%
New York MSA	4.5%	4.0%	3.7%	10.6%
New York	4.7%	4.2%	4.0%	10.0%
United States	4.4%	3.9%	3.7%	8.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics Data

- (1) Unemployment data is through November 2020 for Suffolk County, Nassau County, and the New York MSA, and is through December 2020 for New York and the United States.
- (2) November 2020 unemployment data for Suffolk County, Nassau County, the New York are as follows: 5.3%, 5.5%, 9.5%, respectively. The December 2020 unemployment data for New York was 8.1% and was 6.5% for the United States.

According to data compiled by the New York Department of Labor, the largest employers on Long Island include Northwell Health, New York State, Catholic Health Services, Nassau County Government, Suffolk County Government, Stop and Shop, Winthrop-University Hospital, Long Island Rail Road and Walmart.

Primary Market Area of the Project

The primary market area for providers of senior living services is typically defined as the geographic area from which a significant percentage of residents resided prior to moving into a senior living community. As of February 12, 2021, 71 of the 129 Independent Living Units were reserved by 71 Depositors (including four 5% Depositors) representing approximately 55 percent of the total Independent Living Units.

Based on the zip code origin of the current Depositors, discussions with existing senior living providers in the area, and experience with similar communities, the primary market area has been defined as a 16-zip code area surrounding the Project (the “PMA”), spanning approximately 14 miles from north to south and approximately 22 miles from east to west, at its longest and widest points, respectively.

Table 7
Depositor Origin Data

Zip Code	City/Town	Number of Depositors⁽¹⁾	% of Total
11746	Huntington Station	9	12.8%
11725 ⁽²⁾	Commack	5	7.1%
11747	Melville	5	7.1%
11743	Huntington	4	5.6%
11731	East Northport	4	5.6%
11787	Smithtown	3	4.2%
11753	Jericho	3	4.2%
11803	Plainview	2	2.8%
11721	Centerport	2	2.8%
11754	Kings Park	2	2.8%
11788	Hauppauge	2	2.8%
11791	Syosset	2	2.8%
11797	Woodbury	2	2.8%
11768	Northport	1	1.4%
11740 ⁽³⁾	Hawthorne	1	1.4%
11724 ⁽³⁾	Cold Spring Harbor	–	0.0%
Total from the PMA		47	66.2%
Other New York areas		19	26.8%
Out of state		5	7.0%
Total⁽³⁾⁽⁴⁾		71	100.0%

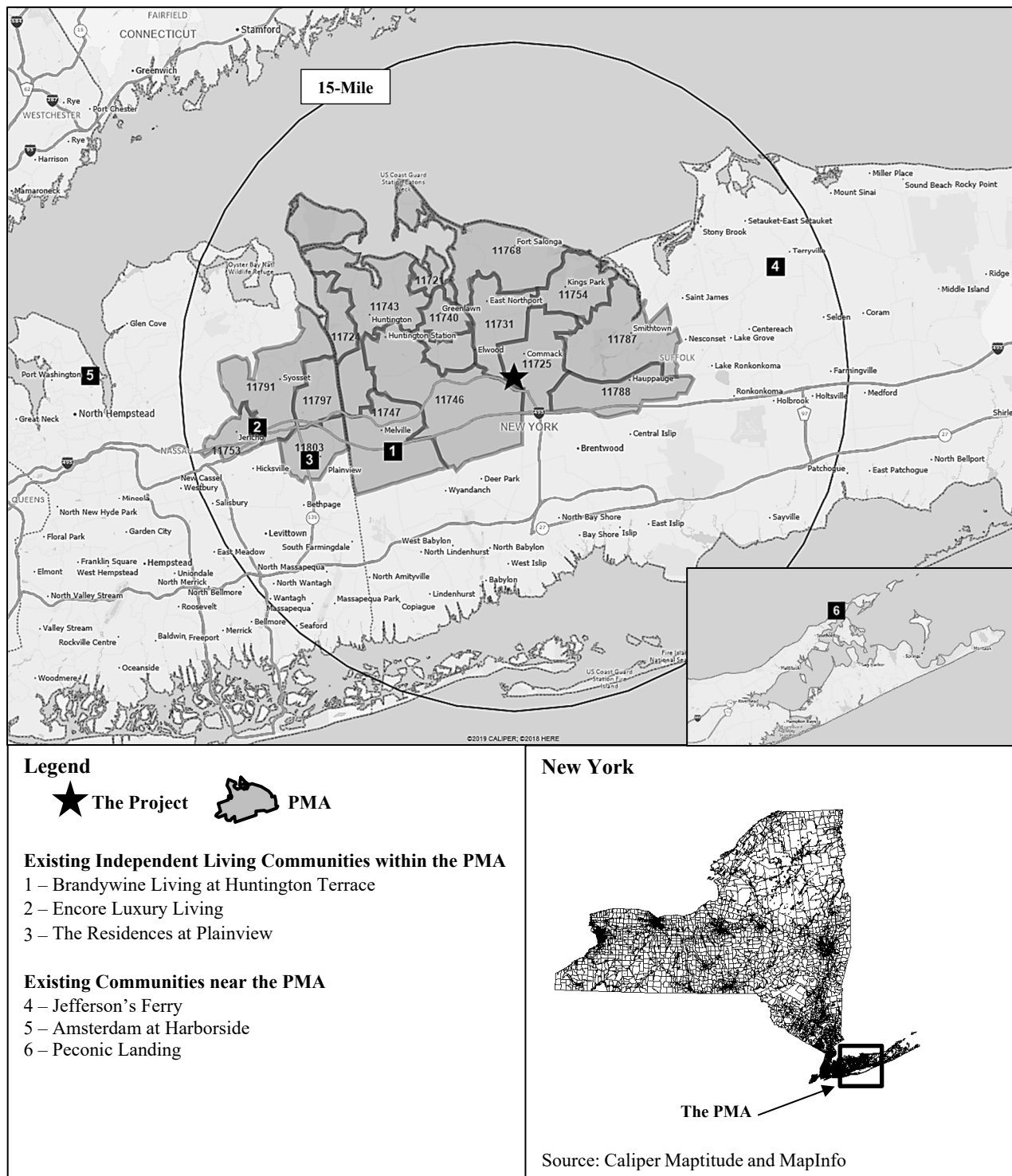
Source: Management

(1) Depositor origin information is as of February 12, 2021.

(2) The Project is to be located in zip code 11725.

(3) Zip code 11724 is included for purposes of contiguity.

The following map depicts the PMA, the Project, the existing and planned retirement communities located within and near the PMA and a 15-mile radius to provide context.



Population

The age distribution of the population in a geographic area is a key factor in the determination of an area's retirement housing needs. The U.S. Census Bureau has compiled demographic data based on the 2010 census figures. Environics Analytics, a firm that specializes in the analysis of demographic data, has extrapolated the 2010 census information to derive the estimated 2021 figures and forecasted statistics for 2026. The following table presents population data by age cohort and the anticipated average annual compounded percentage change between 2010 and 2021 and 2021 and 2026 in the PMA, New York and the United States.

Table 8
Historical, Estimated and Projected PMA, New York and United States Populations

	2010 Population (Census)	2021 Population (Estimated)	2026 Population (Projected)	Compounded Annual Percentage Change 2010 – 2021	Compounded Annual Percentage Change 2021 – 2026
<u>PMA</u>					
Total Population	376,088	367,370	363,673	-0.2%	-0.2%
Age 65 to 74 Population	30,498	42,111	50,127	3.0%	3.5%
Age 75 to 84 Population	20,610	21,930	21,996	0.6%	0.1%
Age 85 Plus Population	8,806	10,852	11,158	1.9%	0.6%
Total 65 Plus	59,914	74,893	83,281	2.0%	2.1%
Total 75 Plus	29,416	32,782	33,154	1.0%	0.2%
<u>New York</u>					
Total Population	19,378,102	19,402,459	19,338,839	0.0%	-0.1%
Age 65 to 74 Population	1,360,602	1,955,404	2,265,805	3.4%	3.0%
Age 75 to 84 Population	866,467	975,211	1,038,866	1.1%	1.3%
Age 85 Plus Population	390,874	455,689	467,212	1.4%	0.5%
Total 65 Plus	2,617,943	3,386,304	3,771,883	2.4%	2.2%
Total 75 Plus	1,257,341	1,430,900	1,506,078	1.2%	1.0%
<u>United States</u>					
Total Population	308,745,538	330,946,040	340,574,349	0.6%	0.6%
Age 65 to 74 Population	21,713,429	33,408,314	39,512,957	4.0%	3.4%
Age 75 to 84 Population	13,061,122	16,368,076	18,402,423	2.1%	2.4%
Age 85 Plus Population	5,493,433	6,668,294	7,129,280	1.8%	1.3%
Total 65 Plus	40,267,984	56,444,684	65,044,660	3.1%	2.9%
Total 75 Plus	18,554,555	23,036,370	25,531,703	2.0%	2.1%

Source: Environics Analytics

The following table presents the percentage of total population by age group for the targeted age population in the PMA, New York and the United States.

Table 9			
Percentage of Total Population by Age Cohort			
2010 (Census)			
	PMA	New York	United States
<u>Age Groupings</u>			
65 plus	15.9%	13.5%	13.0%
75 plus	7.8%	6.5%	6.0%
85 plus	2.3%	2.0%	1.8%
2021 (Estimated)			
	PMA	New York	United States
<u>Age Groupings</u>			
65 plus	20.4%	17.5%	17.1%
75 plus	8.9%	7.4%	7.0%
85 plus	3.0%	2.3%	2.0%
2026 (Projected)			
	PMA	New York	United States
<u>Age Groupings</u>			
65 plus	22.9%	19.5%	19.1%
75 plus	9.1%	7.8%	7.5%
85 plus	3.1%	2.4%	2.1%

Source: Environics Analytics

Estimated Eligible Households within the PMA

In order to qualify for residency in an Independent Living Unit, a prospective Resident must be at least 62 years of age and demonstrate sufficient financial resources to pay the Entrance Fee, required Monthly Fee and other expenses related to independent living services not provided for in the Residency Agreement. Accordingly, Management has established certain criteria to identify potential Residents who would be eligible to reside in an Independent Living Unit. The Corporation utilizes the FinAid system to financially evaluate a prospective Resident's net worth and monthly income. FinAid projects income for prospective Residents based on their financial assets and income sources and compares this revenue to projected expenses such as monthly fees, personal expenses, and income taxes.

For purposes of quantifying the number of income-qualified households in the PMA, households age 75 or older are considered to be the most likely to establish residency in an Independent Living Unit. The composition of Depositors as of February 12, 2021 is described in the table below.

Table 10
Depositor Composition

Age Group of Primary Depositors⁽¹⁾	Number of Depositors	Percentage
Under 75	6	8.5%
75 and older	65	91.5%
Total primary Depositors on entry into an Independent Living Unit	71	100.0%

Source: Management

(1) Represents the age of primary Depositors when the Project opens in 2022.

Management has considered the following two income qualification scenarios for estimating the number of income eligible households in the PMA based on the Monthly Fee for smallest Independent Living Unit under the Life Care Contract and Modified Contracts for the Declining Refund Plan in 2021 dollars:

- Annual household income of approximately \$50,000 or more; and
- Annual household income of approximately \$75,000 or more.

Of the Depositors, the median annual income is approximately \$120,000 and the median net worth is approximately \$2,324,000, based on self-reported Depositor information provided by Management as of February 12, 2021. The average age of Depositors (first persons) upon the Project's opening in 2022 approximates 84 years of age.

The following table illustrates the 2021 estimated and the 2026 projected household income distribution for householders age 65 to 74 and 75 or over in the PMA.

Table 11			
Income Eligible Households for Independent Living Services Within the PMA			
	2021 (Estimated)		
	65 – 74	75+	Total
Total Households:	23,403	18,898	42,301
<u>Household Income</u>			
Under \$50,000	5,273	8,386	13,659
<u>\$50,000 and over</u>			
\$50,000 – 74,999	3,103	2,781	5,884
\$75,000 – 99,999	2,678	1,804	4,482
\$100,000 – 149,999	4,096	2,574	6,670
\$150,000 plus	8,253	3,353	11,606
Total \$50,000 and over	18,130	10,512	28,642
Percentage of Income Eligible Households to Total Households – \$50,000 and over	77.5%	55.6%	67.7%
Total \$75,000 and over	15,027	7,731	22,758
Percentage of Income Eligible Households to Total Households – \$75,000 and over	64.2%	40.9%	53.8%
	2026 (Projected)		
	65 – 74	75+	Total
Total Households:	27,597	18,942	46,539
<u>Household Income</u>			
Under \$50,000	5,230	7,591	12,821
<u>\$50,000 and over</u>			
\$50,000 – 74,999	3,234	2,674	5,908
\$75,000 – 99,999	2,821	1,731	4,552
\$100,000 – 149,999	4,582	2,627	7,209
\$150,000 plus	11,730	4,319	16,049
Total \$50,000 and over	22,367	11,351	33,718
Percentage of Income Eligible Households to Total Households – \$50,000 and over	81.0%	59.9%	72.5%
Total \$75,000 and over	19,133	8,677	27,810
Percentage of Income Eligible Households to Total Households – \$75,000 and over	69.3%	45.8%	59.8%

Source: Environics Analytics

The following table compares the percentage of income-qualified households to total households for the \$50,000 and \$75,000 income qualification level for age 75 and above households within the PMA, New York, and the United States.

Table 12			
Comparison of Income-Qualified Households – 2026			
	Age 75 and Above		
	PMA	New York	United States
Percentage of Income Qualified Households to Total Households – \$50,000 and over	59.9%	41.8%	41.7%
Percentage of Income Eligible Households to Total Households – \$75,000 and over	45.8%	28.1%	26.0%

Source: Environics Analytics

Market Area Real Estate

The ability of potential Residents to sell their home prior to assuming occupancy at a senior living community may have an impact on the ability of Residents to pay the required fees. The following tables summarize the real estate statistics for the zip codes in the PMA from which the most depositors originate.

Table 13
Market Area Real Estate for the PMA Zip Codes

Zip Code	City	2018			2019			2020		
		Number of Homes Sold	Median Sales Price	Median Days on Market	Number of Homes Sold	Median Sales Price	Median Days on Market	Number of Homes Sold	Median Sales Price	Median Days on Market
11746	Huntington Station	702	\$510,000	42	694	\$607,500	49	686	\$648,500	40
11725 ⁽¹⁾	Commack	287	\$495,000	38	343	\$510,000	37	311	\$530,000	27
11743	Huntington	551	\$588,250	43	502	\$637,000	54	581	\$646,250	35
11747	Melville	197	\$671,500	60	151	\$680,000	64	169	\$739,000	36
11731	East Northport	304	\$498,250	34	307	\$497,000	36	335	\$532,250	29
11787	Smithtown	358	\$495,000	47	446	\$520,000	42	374	\$535,000	38
11753	Jericho	143	\$895,000	49	155	\$890,000	63	106	\$900,000	73
11803	Plainview	346	\$603,000	38	330	\$620,000	44	298	\$654,250	42
11721	Centerport	91	\$618,000	45	99	\$649,000	48	94	\$653,500	48
11754	Kings Park	170	\$450,000	32	172	\$476,500	34	165	\$500,000	28
11788	Hauppauge	130	\$480,000	54	132	\$512,500	44	149	\$535,000	32
11791	Syosset	313	\$788,750	44	281	\$810,000	58	324	\$829,000	51
11797	Woodbury	63	\$1,132,500	68	80	\$1,092,500	72	64	\$1,032,500	73
11768	Northport	256	\$650,000	59	292	\$625,000	63	310	\$690,000	46
11724	Cold Spring Harbor	56	\$1,225,000	88	43	\$1,187,000	62	43	\$1,287,500	90
11740	Hawthorne	105	\$564,000	33	106	\$569,000	42	90	\$549,000	24
Total/Weighted Avg.		4,072	\$596,606	45	4,133	\$621,525	49	4,099	\$647,918	39

Source: Long Island Multiple Listing Service

(1) The Project is to be located in zip code 11725.

The following table summarizes the real estate statistics for each zip code in the PMA categorized by housing sale price category.

Table 14
Residential Sales within the PMA⁽¹⁾

Zip Code / Town	Sale Price												Total		
	\$399,999 and Under			\$400,000 - \$599,999			\$600,000 - \$799,999			\$800,000 and Above					
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
11746 – Huntington Station	202	161	79	273	249	277	134	152	170	93	132	160	702	694	686
11725 – Commack ⁽²⁾	37	36	31	195	231	200	41	65	64	14	11	16	287	343	311
11743 – Huntington	58	52	18	203	170	186	146	120	173	144	160	204	551	502	581
11747 – Melville	8	6	6	52	49	49	76	39	40	61	57	74	197	151	169
11731 – East Northport	42	32	23	204	200	210	53	66	82	5	9	20	304	307	335
11787 – Smithtown	55	58	29	235	225	236	55	134	82	13	29	27	358	446	374
11753 – Jericho	–	–	–	4	–	–	34	37	27	105	118	79	143	155	106
11803 – Plainview	6	6	3	162	135	109	128	149	132	50	40	54	346	330	298
11721 – Centerport	6	8	2	34	36	36	33	30	29	18	25	27	91	99	94
11754 – Kings Park	36	40	24	112	116	110	19	12	26	3	4	5	170	172	165
11788 – Hauppauge	20	17	8	89	82	100	16	30	33	5	3	8	130	132	149
11791 – Syosset	–	2	1	41	41	38	121	91	111	151	147	174	313	281	324
11797 – Woodbury	–	2	–	4	3	7	5	14	4	54	61	53	63	80	64
11768 – Northport	8	17	10	92	127	92	92	72	115	64	76	93	256	292	310
11724 – Cold Spring Harbor	1	–	–	3	1	1	5	5	1	47	37	41	56	43	43
11740 – Hawthorne	8	10	7	52	44	46	19	26	20	26	26	17	105	106	90
Total	487	447	241	1,755	1,709	1,697	977	1,042	1,109	853	935	1,052	4,072	4,133	4,099
Percent of Total Home Sales in the PMA	12%	11%	6%	43%	41%	41%	24%	25%	27%	21%	23%	26%	100%	100%	100%

Source: Long Island Multiple Listing Service

(1) Information includes single-family home sales in the PMA.

(2) The Project is to be located in zip code 11725.

Continuing Care Regulatory Requirements

CCRCs in New York are regulated by the State Department of Health (the “Department”), the Department of Insurance and the Continuing Care Retirement Community Council (the “Council”) under the provisions of Article 46, later amended to include Article 46-A which established fee-for-service communities, of the Public Health Law of the State of New York (“Article 46”) and Department of Financial Services regulations. Article 46 governs the development and financing of CCRCs in New York. The regulatory powers of Article 46 are vested in the Council which consists of the Attorney General of the State, the State Commissioner of Health (the “Commissioner”), the State Superintendent of Financial Services, the State Director of the Office of Aging, the State Commissioner of Social Services, or designees of any of them, and eight public members appointed by the Governor. No CCRC may be established unless the Commissioner, in consultation with the Council, issues a certificate of authority (“COA”).

Article 46 requires that a community hold reserves for up to 12 months for principal and interest payments, payments for taxes and insurance and capital expenditures as well as six months of all other operating costs.

According to Article 46, CCRCs must meet the following criteria:

- Be established to provide a comprehensive, cohesive living arrangement for the elderly, oriented to the enhancement of the quality of life;
- Provide independent living units;
- Provide a range of health care and social services which shall include home health care, nursing care, and at a minimum, sixty days of prepaid services of an on-site or affiliated nursing facility;
- Provide a meal plan;
- Independent living units can be made available either through a non-equity arrangement or through an equity arrangement including, but not limited to a cooperative or condominium.
- The purchase price of an independent living unit in an equity arrangement, regardless of the form of the purchase agreement, shall not be considered an entry fee for purposes of calculating reserve liabilities, but shall be considered an entry fee for escrow purposes; and
- Provide access to health services, prescription drugs, and rehabilitation services as defined in the contract.

Comparable Retirement Communities

Comparable retirement communities typically include independent living providers with similar services and amenities offering health care services, such as assisted living and/or nursing care, in a multi-level, age-restricted setting. Independent living units may be apartments, cottages, and/or free-standing homes where residents have access to on-site amenities, which typically include a choice of dining venues, library, lounge areas, fitness facilities, banking, game room, multi-purpose room, arts and crafts area, hair salon, a chapel and more. Services typically include a dining program or allowance, housekeeping services, most utilities except telephone, scheduled transportation, activities program, emergency call system in each residence, 24-hour security, interior and exterior

maintenance, maintenance of grounds, and discounted health care services in on-site assisted living and nursing care facilities.

Comparable facilities are defined as those facilities that: (i) include independent living services; (ii) provide one or more other levels of care such as assisted living, memory support care and/or nursing care services; (iii) offer similar services and amenities; and/or (iv) compete for similar age-and income-qualified residents.

CCRCs may provide a variety of contracts to residents. Generally, the major distinction in contract types relates to the health care benefit and the payment of an entrance fee. The most common contract types are as follows:

Extensive or Life Care Contract ("Type A") - Under a Type A contract, a resident typically pays an upfront entrance fee and an ongoing monthly service fee in exchange for the right to lifetime occupancy of an independent living unit with certain services and amenities. Residents of independent living who require assisted living or nursing care may transfer to the appropriate level of care and continue to pay essentially the same monthly service fee they had been paying for their residence, or upon permanent transfer, the fee may be adjusted to the weighted average of all monthly service fees. The Project is available for occupancy under a Type A contract.

Modified Contract ("Type B") - Under a Type B contract, the resident also generally pays an upfront entrance fee and an ongoing monthly service fee for the right to lifetime occupancy of an independent living unit with certain services and amenities. However, under a Type B contract, the CCRC typically provides assisted living or skilled nursing care to residents either (a) at a discounted rate on the per diem, e.g., 20 percent discount; (b) a certain number of days per year or per lifetime, e.g., 60 to 90 days; or, (c) a combination of the two. The Project is available for occupancy under a Type B contract.

Fee-for-Service Contract ("Type C") - A Type C contract also generally requires an upfront entrance fee and an ongoing monthly service fee for the right to lifetime occupancy of an independent living unit with certain services and amenities. However, under the Type C contract, residents who require assisted living or nursing care do not receive any discount on assisted living or skilled nursing services. The Project is not available for occupancy under a Type C contract.

Rental Communities ("Rental") - Under a Rental contract, a resident signs a lease for the independent living unit selected and pays for various additional services utilized (including assisted living, memory support or nursing) on a monthly basis at prevailing market rates. The resident is not required to pay an entrance fee and the contract term is typically on a month-to-month basis.

The following tables profile the Project and the existing comparable retirement communities within and near the PMA.

Table 15
Comparable Retirement Communities within the PMA

	The Project	Brandywine Living at Huntington Terrace	The Residences at Plainview	Encore Luxury Living
Location	Commack	Melville	Plainview	Jericho
	11725	11747	11803	11753
Driving Miles from the Project	—	6.7	12.5	13.3
Sponsor/Developer	The Corporation	Brandywine Senior Living	Chelsea Senior Living	The Engel Burman Group
Year Opened	2022	2002	2021	2019
Type of Contract	Type A & Type B	Rental	Rental	Rental
Not-For-Profit/For-Profit	Not-for-Profit	For-Profit	For-Profit	For-Profit
Unit Configuration				
<i>Independent Living Units (ILUs:)</i>				
Studio apartments	—	—	10	—
One-bedroom apartments	71	24	76	58
Two-bedroom apartments	58	31	30	42
Three-bedroom apartments	—	—	—	1
Homes/Cottages/Villas	—	—	—	—
Total ILUs	129	55	116	101
<i>Assisted Living/Memory Care Units</i>	—	80 AL/34 MC	—	144 AL/45 MC
<i>Nursing Care Beds</i>	—	—	—	—
Independent Living				
<i>Square Footage</i>				
Studio apartments	—	—	342 – 414	—
One-bedroom apartments	824 – 1,140	680 – 890	700	718 – 826
Two-bedroom apartments	1,057 – 1,581	1,200 – 1,500	875 – 1,134	1,100
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	—	—	—
<i>Entrance Fees</i>				
Studio apartments	—	—	—	—
One-bedroom apartments	\$445,735 – 636,478	—	—	—
Two-bedroom apartments	\$586,513 – 820,133	—	—	—
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	—	—	—
2nd Person Entrance Fee	\$21,000	—	—	—
<i>Monthly Fees</i>				
Studio apartments	—	—	\$5,500	—
One-bedroom apartments	\$3,350 – 4,408	\$7,000 – 7,800	\$6,900	\$5,500 – 8,000
Two-bedroom apartments	\$4,107 – 5,466	\$8,700 – 9,600	\$8,500	\$8,500
Three-bedroom apartments	—	—	—	\$14,000
Homes/Cottages/Villas	—	—	—	—
2nd Person Monthly Fee	\$850	\$2,800	\$1,000	\$1,500
<i>Refund Options</i>	0%, 50% (shown), 80%	—	—	—
Assisted Living				
<i>Monthly Fees</i>	—	\$6,400 – 9,600	—	\$6,800 – 9,450
<i>Care Fees</i>	—	\$1,500 – 2,800	—	\$720 – 2,790
Memory Care				
<i>Monthly Fees</i>	—	\$6,300 – 7,800	—	\$10,000
<i>Care Fees</i>	—	\$2,200 – 2,800	—	All inclusive
Nursing Care				
<i>Daily Rate</i>	—	—	—	—
Occupancy Rate				
<i>Independent Living</i>	—	85%	30%	31%
<i>Assisted Living / Memory Care</i>	—	85% / 85%	—	51% / 50%
<i>Nursing Care</i>	—	—	—	—

Source: Management and surveys conducted by Dixon Hughes Goodman LLP (“DHG”) through February 2021.

Notes to Table:

The Project

- (1) The Gurwin Campus currently includes 201 assisted living apartments, including a dementia care unit, and 460 nursing beds (as previously defined, the “Gurwin Health Care Facilities”).
- (2) Entrance Fees shown are those currently being marketed to potential residents. Monthly Fees shown have been deflated from 2022 Monthly Fees currently being marketed to 2021 dollars (at three percent annually) for comparison purposes only.
- (3) Entrance Fees and Monthly Fees shown are for the Modified Contract in which Residents receive sixty lifetime days at Lindner Residences and sixty lifetime days at Gurwin Nursing. In addition, prospective Residents of the Project have the options of paying an additional per person Life Care Fee to provide for unlimited days in the Gurwin Health Care Facilities under the Life Care Contract. Residents choosing the Life Care Contract pay an additional Entrance Fee of \$68,750 and Monthly Fee of \$930 in 2022 dollars.
- (4) Entrance Fees shown are for the 50% Refund Plan, currently the most popular plan with the Depositors. Management also offers a Declining Balance Plan and an 80% Refund Plan. The Entrance Fees associated with the Declining Balance plan are approximately 24 percent lower than the 50% Refund Plan. The Entrance Fees associated with the 80% Refund Plan are approximately 30 percent higher than the 50% Refund Plan. Second person Entrance Fees for the Declining Balance Plan and the 80% Refund Plan are \$17,500 and \$27,300, respectively.
- (5) Monthly Fee shown are for the 50% Refund Plan and the 80% Refund Plan. Monthly Fees for the Declining Balance Plan are approximately \$250 per month lower than the 50% Refund Plan and the 80% Refund Plan. The second person Monthly Fees are the same for all plans.
- (6) The second person Entrance Fee does not apply when the second person purchases the Life Care Contract. The life care Monthly Fee applies to both Residents if both chose the Life Care Contract.

Brandywine Living at Huntington Terrace (“Brandywine”)

- (1) A one-time, non-refundable community fee equal to one month’s rent is required upon move-in.

The Residences at Plainview

- (1) A one-time, non-refundable community fee equal to \$5,000 is required upon move-in.
- (2) The Residences at Plainview opened the first week of February 2021 and is currently in fill-up.

Encore Luxury Living

- (1) The independent living units at Encore Luxury Living are on the same campus as “The Bristal at Jericho” which offers the assisted living and memory care units shown. Encore Luxury Living opened in October 2019 and The Bristal at Jericho opened in April 2019. Both buildings are currently in fill-up.
- (2) A one-time, non-refundable community fee equal to one month’s rent is required upon move-in.
- (3) The monthly fee for a memory care companion suite at The Bristal at Jericho is \$9,250.

Table 16
Comparable Entrance Fee Communities Near the PMA

	The Project	Jefferson's Ferry	Amsterdam at Harborside	Peconic Landing
Location	Commack	South Setauket	Port Washington	Greenport
	11725	11720	11050	11944
Driving Miles from the Project	—	12.4	24.9	59.2
Sponsor/Developer	The Corporation	Mather-St. Charles Health Alliance	Amsterdam House Continuing Care Retirement Community, Inc.	Peconic Landing at Southold, Inc.
Year Opened	2022	2001	2002	1997
Type of Contract	Type A & Type B	Type A and Type B	Type A	Type A / Type C
Not-For-Profit/For-Profit	Not-for-Profit	Not-for-Profit	Not-for-Profit	For-Profit/Not-for-Profit
Unit Configuration				
<i>Independent Living Units (ILUs:)</i>				
Studio apartments	—	6	—	—
One-bedroom apartments	71	114	48	103
Two-bedroom apartments	58	100	181	84
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	28	—	111
Total ILUs	129	248	229	298
<i>Assisted Living/Memory Care Units</i>	—	60 AL	26 AL/18 MC	26 AL/16 MC
<i>Nursing Care Beds</i>	—	60	56	60
Independent Living				
<i>Square Footage</i>				
Studio apartments	—	550	—	—
One-bedroom apartments	824 – 1,140	700 – 925	707 – 1,351	788 – 1,230
Two-bedroom apartments	1,057 – 1,581	1,050 – 1,400	1,056 – 2,519	1,218 – 1,651
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	1,600 – 2,000	—	948 – 2,064
<i>Entrance Fees</i>				
Studio apartments	—	\$403,184	—	—
One-bedroom apartments	\$445,735 – 636,478	\$481,853 – 608,338	\$760,526 – 1,177,051	\$300,832 – 556,880
Two-bedroom apartments	\$586,513 – 820,133	\$681,164 – 828,559	\$913,052 – 2,250,837	\$422,546 – 742,724
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	\$857,823 – 978,568	—	\$433,000 – 987,460
2 nd Person Entrance Fee	\$21,000	\$55,248	—	\$53,000
<i>Monthly Fees</i>				
Studio apartments	—	\$3,128	—	—
One-bedroom apartments	\$3,450 – 4,540	\$3,514 – 4,080	\$2,594 – 4,307	\$4,457 – 5,595
Two-bedroom apartments	\$4,230 – 5,630	\$4,376 – 5,272	\$3,875 – 6,471	\$6,394 – 7,560
Three-bedroom apartments	—	—	—	—
Homes/Cottages/Villas	—	\$5,387 – 6,645	—	\$5,134 – 7,776
2 nd Person Monthly Fee	\$876	\$1,964	\$1,272	\$2,092
<i>Refund Options</i>	0%, 50% (shown), 80%	0%, 50% (shown), 90%	0%, 50% (shown), 80%	Co-op
Assisted Living				
<i>Monthly Fees</i>	—	\$8,352 – 10,090	\$8,050	\$8,395 – 9,034
<i>Care Fees</i>	—	—	All inclusive	All inclusive
Memory Care				
<i>Monthly Fees</i>	—	—	\$9,589	\$9,125
<i>Care Fees</i>	—	—	All inclusive	All inclusive
Nursing Care				
<i>Daily Rate</i>	—	\$623	\$552 – 693	\$573 – 602
Occupancy Rate				
<i>Independent Living</i>	—	94%	82%	93%
<i>Assisted Living</i>	—	90%	69%/94%	75%/75%
<i>Nursing Care</i>	—	77%	79%	85%

Source: Management and surveys conducted by DHG through February 2021.

Notes to Table:

The Project

- (1) The Gurwin Campus currently includes 201 assisted living apartments and 460 nursing beds (as previously defined, the “Gurwin Health Care Facilities”).
- (2) Entrance Fees shown are those currently being marketed to potential residents. Monthly Fees shown have been deflated from 2022 Monthly Fees currently being marketed to 2020 dollars (at three percent annually) for comparison purposes only.
- (3) Entrance Fees and Monthly Fees shown are for the Modified Contract in which Residents receive sixty lifetime days at Lindner Residences and sixty lifetime days at Gurwin Nursing. In addition, prospective Residents of the Project have the options of paying an additional per person Life Care Fee to provide for unlimited days in the Gurwin Health Care Facilities under the Life Care Contract. Residents choosing the Life Care Contract pay an additional Entrance Fee of \$68,750 and Monthly Fee of \$930 in 2022 dollars.
- (4) Entrance Fees shown are for the 50% Refund Plan, currently the most popular plan with the Depositors. Management also offers a Declining Balance Plan and an 80% Refund Plan. The Entrance Fees associated with the Declining Balance plan are approximately 24 percent lower than the 50% Refund Plan. The Entrance Fees associated with the 80% Refund Plan are approximately 30 percent higher than the 50% Refund Plan. Second person Entrance Fees for the Declining Balance Plan and the 80% Refund Plan are \$17,500 and \$27,300, respectively.
- (5) Monthly Fee shown are for the 50% Refund Plan and the 80% Refund Plan. Monthly Fees for the Declining Balance Plan are \$250 per month lower than the 50% Refund Plan and the 80% Refund Plan. The second person Monthly Fees are the same for all plans.
- (6) The second person Entrance Fee does not apply when the second person purchases the Life Care Contract. The life care Monthly Fee applies to both Residents if both chose the Life Care Contract.

Jefferson’s Ferry

- (1) Entrance fees shown are for the 50 percent refundable lifecare plan offered at Jefferson’s Ferry. Under the zero percent refundable Type A plan, the entrance fee is non-refundable after 48 months of occupancy. Entrance fees for the zero percent refundable plan are as follows: \$227,038 for a studio, \$283,413 to \$370,128 for a one-bedroom, \$376,175 to \$496,100 for a two-bedroom and \$546,581 to \$616,640 for a cottage. Monthly fees for the zero percent refundable plan are \$3,682 for a studio, \$4,134 to \$4,800 for a one-bedroom, \$5,149 to \$6,198 for a two-bedroom and \$6,701 to \$7,818 for a cottage. The entrance fees for the 90 percent Type A plan are the same as the 50 percent refundable Type A plan and the monthly fees are the same as the zero percent refundable Type A plan. The entrance fees for the 90 percent refundable Type B contract are as follows: \$322,516 for a studio, \$385,451 to \$492,923 for a one-bedroom, \$544,993 to \$667,019 for two-bedroom and \$686,238 to \$782,844 for a cottage. The monthly fees under the 90 percent Type B contract are as follows: \$3,496 for a studio, \$3,928 to \$4,559 for a one-bedroom, \$4,893 to \$5,887 for a two-bedroom and \$6,366 to \$7,426 for a cottage.
- (2) The second person entrance fee is non-refundable after 48 months of occupancy.
- (3) Residents who have selected the 90 percent refundable Type B contract receive 60 cumulative lifetime assisted living and 60 nursing days.
- (4) The second person monthly fee in the assisted living units is \$4,918.

Amsterdam at Harborside

- (1) Residents who transfer to the assisted living units, memory care units or nursing beds are assumed to continue to pay the then monthly fee associated with their independent living unit.
- (2) A non-refundable and a 75 percent refundable contract are also offered. The entrance fees for the non-refundable and the 75 percent refundable plans are the same as the 50 percent refundable plan reflected in the table. Monthly fees for the non-refundable and the 75 percent refundable plans are discounted 10 percent and are 20 percent higher than the monthly fees shown for the 50 percent refundable plan, respectively.
- (3) The second person monthly fee for the assisted living and memory care units is \$2,512.

Notes to Table (continued)

Peconic Landing

- (1) Purchase prices include a \$53,000 first person Healthcare Reserve Fee. Second person occupants require an additional health care reserve fee of \$53,000, which is shown in the table above as the second person purchase price. Purchase prices do not include a Peconic Bay Region Community Preservation Fund Tax, which is payable by the purchaser to the Town of Southold at closing.
- (2) Under the cooperative equity contract, Peconic Landing pays the vacating resident the lower of (1) the purchase paid by the new resident for the independent living unit, less the health care reserve fee and a six percent remarketing fee or (2) the purchase price originally paid by the resident, adjusted for inflation, plus the cost of approved improvements, less the health care reserve fee and a six percent remarketing fee.
- (3) Entrance fees under the fee-for-service contract range from \$250,832 to \$506,880 for one-bedroom apartments, \$372,546 to \$692,724 for two-bedroom apartments and \$383,000 to \$937,46 for patio homes and cottages. Monthly fees range from \$3,844 to 4,826 for one-bedroom apartments, \$5,514 to \$6,519 for two-bedroom apartments and \$4,427 to \$6,707 for the patio homes and cottages. The second person monthly fee is \$1,803.
- (4) In the process of replacing existing independent living cottages with patio homes. To date, two cottages have been converted into four one-bedroom 948 square foot patio homes. Peconic Landing plans to construct a total of 20 patio homes over the next five years, dependent on demand and market response.
- (5) The second person monthly fee in assisted living is \$3,750.

Comparable Retirement Communities Planned or Under Development in the PMA

Based on discussions with representatives of the local planning and permitting agencies and interviews with management at existing and planned retirement communities, there are two existing CCRCs near the PMA that are planning expansions.

Jefferson's Ferry, an existing retirement community located approximately 12 miles northeast of the Project, is planning an expansion project. The project is to include 60 independent living apartments in one- and two-bedroom configurations and 20 memory care units as well as the renovation and repositioning of the assisted living units to include one additional assisted living unit and the renovation of the skilled nursing beds. Construction began in December 2020 with completion of the independent living units in September 2021, the memory care units in December 2022 and all renovations in April 2023. The new independent living units are to be offered under the same contracts as the existing independent living units. The entrance fees under the 90 percent refundable lifecare contract range from approximately \$560,000 to \$930,000 and monthly fees would range from approximately \$4,500 to \$6,500. Approximately 50 percent of the expansion independent living units have been reserved. Due to its location outside of the PMA, 50 percent of the 60 planned independent living units at Jefferson's Ferry (30 units) are included in the following penetration rate analysis.

The Amsterdam at Harborside, an existing retirement community located approximately 25 miles northwest of the Project, has long-range plans to build 71 additional independent living units. Timing and further details of the 71 independent living units has not been determined at this time. The 71 planned independent living units at The Amsterdam at Harborside have been disclosed for informational purposes only and are not included in the following penetration rate analysis.

Summary of Comparable Independent Living Units

The following table presents a summary of the existing and planned independent living units within and near PMA.

Table 17			
Summary of Comparable Independent Living Units within and near the PMA			
Comparable Retirement Communities	Total Units	Percent Competitive	Number of Competitive Units
<i>Existing Comparable ILUs in the PMA</i>			
Brandywine	55	100%	55
Encore Luxury Living	101	100%	101
The Residences at Plainview	116	100%	116
Subtotal Existing ILUs in the PMA	272		272
<i>Existing Comparable ILUs near the PMA</i>			
Jefferson's Ferry ⁽¹⁾	248	50%	124
Amsterdam at Harborside ⁽¹⁾⁽²⁾	229	50%	115
Peconic Landing ⁽³⁾	298	0%	—
Subtotal Existing ILUs near the PMA	775		239
Total Existing Comparable Units	1,047		511
<i>Planned Comparable ILUs in or near the PMA</i>			
Jefferson's Ferry ⁽¹⁾	60	50%	30
Total Planned Comparable Units	60		30
The Project	129	100%	129
Total Existing and Planned ILUs in or near the PMA	1,236		670

Source: Management and surveys conducted through February 2021.

- (1) Jefferson's Ferry and Amsterdam at Harborside are located near the PMA; therefore, only 50 percent of the independent living units are considered competitive and are included in the following independent living penetration rate analysis.
- (2) The planned units at Amsterdam at Harborside are part of a long-range plan and have not been included in the penetration rates as timing has not been determined.
- (3) Peconic Landing, which has been included for informational purposes, is approximately 60 miles from the Project and is not considered competitive with the Project.

Independent Living Penetration Analysis

Penetration rates are one measure of the degree to which the PMA is either under-served or saturated. As penetration rates increase, units may become more difficult to fill. However, higher penetration rates may not necessarily be an indication of the difficulty in achieving expected occupancy levels. Some markets may have a higher acceptance level for senior living housing options and may support higher penetration rates. Three penetration rate calculations are shown in the following tables.

Project Penetration Rate – The Project Penetration Rate is the percentage of age- and income-qualified households in the PMA the **Project** is expected to capture in order to achieve stabilized occupancy in the year of opening. The Project Penetration Rate is calculated by dividing the number of Independent Living Units at the Project by the number of age- and income-qualified households in the PMA. Seniors currently living in comparable independent living units in the PMA are subtracted from the pool of age- and income-qualified households. Calculations are based on demographics interpolated for the first full year in which the Independent Living Units move-ins are expected to occur (2022).

Net Market Penetration Rate (Absorption Rate) – The Net Market Penetration Rate is the percentage of age and income qualified households the available units in the market are expected to capture in order for the entire market to achieve stabilized occupancy in the year of opening. The Net Market Penetration Rate is calculated by dividing the number of available independent living units in the PMA by the number of age and income qualified households in the PMA. Available units include planned units of the Project, proposed units at other communities and units becoming available due to attrition. This calculation is of particular significance when more than one project is entering the market during the same timeframe. Calculations are based on demographics interpolated for the year the Project is expected to be available for occupancy (2022).

Gross Market Penetration Rate – The Gross Market Penetration Rate is the percentage of age- and income-qualified households that the **total market** must absorb for the entire market to achieve stabilized occupancy. Market penetration is calculated by dividing the total number of existing and planned independent living units in the PMA by the number of age- and income-qualified households in the PMA. Calculations are based on demographics for the current year (2021) and projected year (2026).

In all three calculations, the total independent living units are adjusted to reflect assumptions about the percentage of units expected to be filled from qualified households in the PMA and occupancy.

Penetration rates should be considered in conjunction with each other and other market factors such as occupancy levels at existing communities within and near the PMA, the number of proposed facilities in the PMA, the design of the units and community spaces at the Project, alternatives for potential residents, and marketing plans and efforts of Management.

The following table represents the Project Penetration Rates which represent the percentage of age- and income-qualified households in the PMA the Project is expected to capture upon opening in order to achieve stabilized occupancy, assuming an annual household income of \$50,000 and over and income of \$75,000 and over, based upon the income qualification at the Project and demographic projections for 2022.

Table 18
Project Penetration Rate – 2022

	Age 75 + with Income \$50,000 and Above	Age 75 + with Income \$75,000 and Above
Planned units at the Project	129	129
Percentage of units to be filled from the PMA ⁽¹⁾	65%	65%
Planned units to be filled from the IL PMA	84	84
Percentage of units to be filled by age 75 and older ⁽¹⁾	90%	90%
Planned units to be filled by age 75 and older	76	76
Independent Living Units to be filled at 94% occupancy (a)	71	71
Number of age- and income-qualified households ⁽²⁾	10,680	7,920
Less: Existing inventory of available comparable units ⁽³⁾	(509)	(509)
Net number of age- and income-qualified households (b)	10,171	7,411
Project Penetration Rate (a/b)	0.7%	1.0%

Source: Management and Environics Analytics

(1) Based upon Depositor information as of February 12, 2021.

(2) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Environics Analytics.

(3) Reflects the 511 existing and 30 planned competitive independent living units within and near the PMA (adjusted for percent of units comparable) based on a 94 percent occupancy assumption (509 units).

The following table presents the Net Market Penetration Rates for the year of the New Independent Living Units are planned to open, and indicate the percentage of the age- and income-qualified households in the PMA that must be absorbed in order to fill the available units during that year, based upon demographic projections for 2022.

Table 19
Net Market Penetration Rates – 2022

	Income \$50,000 and Above	Income \$75,000 and Above
Age 75 and Above		
Planned units in the PMA:		
The Project	129	129
Other planned units ⁽¹⁾	30	30
Total planned units	159	159
Percent of units to be occupied by age 75 and older ⁽²⁾	90%	90%
Total planned units to be occupied by age 75 and older	143	143
Total planned units to be occupied at 94% occupancy from the PMA	134	134
Unoccupied existing comparable units to be filled within the PMA ⁽³⁾	158	158
Total existing units available due to attrition ⁽⁴⁾	88	88
Total units to be occupied	380	380
Percent of units to be occupied from the PMA ⁽²⁾	65%	65%
Total units to be occupied from within the PMA by 75 and older (a)	247	247
Estimated number of age- and income-qualified households ⁽⁵⁾	10,680	7,920
Less: Existing inventory of available comparable units ⁽⁶⁾	(509)	(509)
Estimated number of age- and income-qualified households (b)	10,171	7,411
Net Market Penetration Rates (a/b)	2.4%	3.3%

Source: Management and Environics Analytics

- (1) In addition to the Independent Living Units, there are 30 planned independent living units (adjusted for percent of units competitive) in or near the PMA.
- (2) Based upon Depositor information as of February 12, 2021.
- (3) Based on the occupancy of the existing independent living units in the PMA, 158 additional existing units would need to be filled to achieve 94 percent occupancy at comparable existing communities in the PMA.
- (4) Reflects the 239 existing entrance fee units in or near the PMA (adjusted for percent of units competitive) at 94 percent occupancy, assuming 13.1 percent attrition (29 units) and 272 rental units in the PMA at 94 percent occupancy, assuming 22.9 percent attrition (59 units) for a total of 88 units. (Source: State of Seniors Housing, 2012).
- (5) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Environics Analytics.
- (6) Reflects the 511 existing and 30 planned competitive independent living units within and near the PMA (adjusted for percent of units comparable) based on a 94 percent occupancy assumption (509 units).

The following table presents the Gross Market Penetration Rate, which represents the percentage of age- and income-qualified households in the PMA that the entire market is expected to capture when the entire market has reached stabilized occupancy, assuming annual household incomes of \$50,000 and over and \$75,000 and over based upon the income qualification of communities in the PMA and demographic projections for 2021 and 2026.

Table 20
Gross Market Penetration Rate

	Income \$50,000 and Above		Income \$75,000 and Above	
	2021	2026	2021	2026
Age 75 and Above				
Market inventory of retirement communities:				
The Project	—	129	—	129
Comparable retirement communities				
Existing units	511	511	511	511
Proposed units ⁽¹⁾	—	30	—	30
Total units in the PMA	511	670	511	670
Percent of units to be occupied from the PMA ⁽²⁾	65%	65%	65%	65%
Total units to be occupied from the PMA	332	436	332	436
Total units to be filled at 94% occupancy (a)	312	410	312	410
Number of age- and income-eligible households (b)	10,512	11,351	7,731	8,677
Market Penetration Rate (a/b)	3.0%	3.6%	4.0%	4.7%

Source: Management and Envirionics Analytics

(1) Includes 50 percent of the independent living units planned at Jefferson's Ferry (30 units).

(2) Based upon Depositor information as of February 12, 2021.

Marketing the Independent Living Units

The success of the Project is dependent, in part, on Management's ability to achieve specified pre-sales and fill-up rates and to manage turnover rates for the Independent Living Units. Management began accepting \$1,000 priority deposits ("Priority Deposit") in the last quarter of 2015. Conversions of Priority Deposits to Entrance Fee Deposits began in July 2017.

As of February 12, 2021, 71 of the 129 Independent Living Units (55 percent) have been reserved by 71 Depositors (including four 5% Depositors).

The following table presents, by month and year, the number of Independent Living Units reserved by Depositors since marketing began, as reported by Management.

Table 21
Marketing of the Independent Living Units

Year	Number of Independent Units Reserved	Number of Cancellations/ Refunds	Net Reservations	Cumulative Independent Units Reserved	Cumulative Percentage of Independent Units
July 2017 – Dec 2018⁽¹⁾	82	(15)	67	67	51.9%
2019:					
January	2	–	2	69	53.5%
February	2	–	2	71	55.0%
March	1	(2)	(1)	70	54.3%
April	3	(1)	2	72	55.8%
May	2	(1)	1	73	56.6%
June	2	–	2	75	58.1%
July	1	(1)	–	75	58.1%
August	3	(3)	–	75	58.1%
September	1	–	1	76	58.9%
October	–	–	–	76	58.9%
November	3	–	3	79	61.2%
December	–	–	–	79	61.2%
2020:					
January	5	(1)	4	83	64.3%
February	–	–	–	83	64.3%
March	–	(4)	(4)	79	61.2%
April	–	–	–	79	61.2%
May	1	–	1	80	62.0%
June	–	–	–	80	62.0%
July	2	(1)	1	81	62.8%
August	–	(3)	(3)	78	60.5%
September	–	(2)	(2)	76	58.9%
October	1	(2)	(1)	75	58.1%
November	3	(1)	2	77	59.7%
December	1	(1)	–	77	59.7%
2021:					
January	1	(7)	(6)	71	55.0%
February ⁽²⁾	1	(1)	–	71	55.0%
Total	117	(46)	71	71	55.0%

Source: Management

(1) Management began accepting Entrance Fee Deposits in July 2017.

(2) Information for the Depositors is through February 12, 2021. The total number of the Depositors includes four 5% Depositors.

The following table presents the total number and type of Independent Living Units available in relation to the Independent Living Units reserved with an Entrance Fee Deposit as of February 12, 2021.

Table 22
Inventory of Independent Living Units Sold

Unit Type	Square Footage	Total Units	Total Units Reserved	Percentage of Available Units Reserved
The Parkview				
<i>One Bedroom</i>				
Oak	824	2	1	50.0%
Maple	828	20	14	70.0%
<i>One Bedroom Den</i>				
Laurel	954	8	7	87.5%
Elm	964	8	2	25.0%
Willow	1,040	12	9	75.0%
Spruce	1,095	1	—	0.0%
Holly	1,140	8	3	37.5%
<i>Two Bedroom</i>				
Birch	1,057	16	8	50.0%
Cherry	1,126	4	3	75.0%
<i>Two Bedroom</i>				
Dogwood	1,280	16	7	43.8%
Walnut	1,350	7	4	57.1%
Subtotal – The Parkview		102	58	56.9%
The Terrace				
<i>One Bedroom</i>				
Lily	1,068	3	1	33.3%
<i>One Bedroom Den</i>				
Rose	1,000	9	2	22.2%
<i>Two Bedroom</i>				
Lilac	1,234	3	2	66.7%
Iris	1,392	3	2	66.7%
<i>Two Bedroom with Terrace</i>				
Azalea	1,417	6	3	50.0%
Tulip	1,581	3	3	100.0%
Subtotal – The Terrace		27	13	48.1%
Total Independent Living Units		129	71	55.0%

Source: Management

Independent Depositor Confirmation

An independent confirmation process was performed by DHG through a survey to the 71 Depositors. Depositor surveys were distributed beginning on July 17, 2020. As of February 12, 2021, 70 of the 71 Depositors (99 percent) had completed the questionnaire. The following information was compiled for the 70 completed questionnaires.

- 70 (100 percent) of the respondents indicated that they had paid an Entrance Fee Deposit for their Independent Living Unit.
- 63 (90 percent) indicated that they intend to reside at the Project and seven (10 percent) indicated that they were unsure they would reside at the Project.
- 43 (61 percent) indicated that they expect to reside alone; 25 (36 percent) indicated that they expect to reside with a spouse, relative or friend; one respondent was unsure with whom he or she would reside; and, one respondent did not answer the question.
- 67 (96 percent) indicated that they currently own their home. Fifty-four (81 percent) of the 67 respondents who own their home indicated that they expect to use the proceeds from the sale of their home to pay the balance of their entrance fee upon moving into the Project.

Five (seven percent) of the respondents indicated they had reserved an independent living unit or were on a waiting list at one or more other retirement communities. One of these respondents indicated that they intend to reside in an Independent Living Unit and four were unsure whether they would reside in an Independent Living Unit.

The following table indicates self-reported information regarding which communities the respondents have placed a deposit as well as the amount of the deposit.

Table 23
Deposits at Other Communities

Community	Location	Number of Respondents	Amount of Deposit		
			Less than \$1,500	10% of Entrance Fee or \$30,000 or greater	Not specified
Jefferson's Ferry	South Setauket	3	1	2	—
Out-of-state	California	1	—	1	—
Did not indicate	—	1	—	—	1
Total		5	1	3	1

Source: Questionnaire responses

The following table indicates how respondents intend to pay the balance of their Entrance Fee.

Table 24
Payment on Balance of Entrance Fee

	Number of Respondents	Percentage of Respondents
Using cash reserves or savings	39	55.7%
Using proceeds from the sale of investments	28	40.0%
Using proceeds from the sale of home	54	77.1%
Other	3	4.3%
Did not respond	1	1.4%

Source: Questionnaire responses

(1) Respondents were given the option of choosing more than one method of paying the balance of their Entrance Fee.

Respondents indicated the following as to how soon they intended to move into their Independent Living Unit after it becomes available:

Table 25
Move-ins After Unit Becomes Available

	Responses	Percentage of Responses
1 to 30 days	11	15.7%
31 to 60 days	6	8.6%
61 to 90 days	7	10.0%
Upon the sale of home	35	50.0%
Other	10	14.3%
Did not respond	1	1.4%
Total	70	100.0%

Source: Questionnaire responses

Respondents indicated their primary reason(s) for choosing the Project were as follows:

Table 26
Project Suitability

	Number of Respondents⁽¹⁾	Percentage of Respondents⁽¹⁾
Social activities and fellowship	48	68.6%
Proximity to friends and relatives	48	68.6%
Access to healthcare	47	67.1%
Geographic location	46	65.7%
Reputation of Gurwin Healthcare System	42	60.0%
Other	5	7.1%
Did not respond	1	1.4%

Source: Questionnaire responses

(1) Respondents were given the option of selecting more than one reason for choosing the Project.

Depositor File Vouching

DHG read Management's policies and procedures for accepting Depositors and conducted the following procedures regarding the 71 Depositors:

- Confirmed 100% to have a Reservation Agreement executed by both the Depositor(s) and the Corporation;
- Confirmed 100% to include copies of a deposit check equal to the required deposit amount for the selected Independent Living Unit;
- Confirmed 100% that the amount of the Entrance Fee and the Monthly Fee matched the Independent Living Unit and plan selected; and
- Based on reported income and asset levels, confirmed 70 of the Depositors either met Management's asset and income qualification test, or displayed sufficient financial resources as approved by Management. One Depositor did not provide financial information.

In addition to the above, Management has provided DHG with statements dated through February 9, 2021 for the escrow account containing the Entrance Fee Deposits.

The following table presents information regarding the self-reported net worth and estimated annual income of the Depositors as of February 12, 2021.

Table 27
Reported Annual Income and Net Worth of Depositors

Annual Income	Net Worth						Total	Percent of Total
	Assets not available	Less than \$1,000,000	\$1,000,000 to \$1,999,999	\$2,000,000 to \$2,999,999	\$3,000,000 to \$3,999,999	\$4,000,000 and greater		
Income Not Reported ⁽¹⁾	1	—	—	—	—	—	1	1.4%
Less than \$75,000	—	2	3	2	3	—	10	14.1%
\$75,000 to \$99,999	—	6	5	6	—	1	18	25.4%
\$100,000 to \$124,999	—	3	3	3	—	2	11	15.5%
\$125,000 – 174,999	—	—	6	5	1	4	16	22.5%
\$175,000 and greater	—	—	1	1	4	9	15	21.1%
Total ⁽²⁾	1	11	18	17	8	16	71	
Percent of Total	1.4%	15.5%	25.4%	23.9%	11.3%	22.5%		100.0%

Source: Depositor applications

(1) One Depositor did not provide financial information to Management.

(2) Of the 70 Depositors who reported their annual income and assets, their median net asset amount is approximately \$2,324,000 and their median annual income amount is approximately \$120,000.

Description and Utilization of Assisted Living

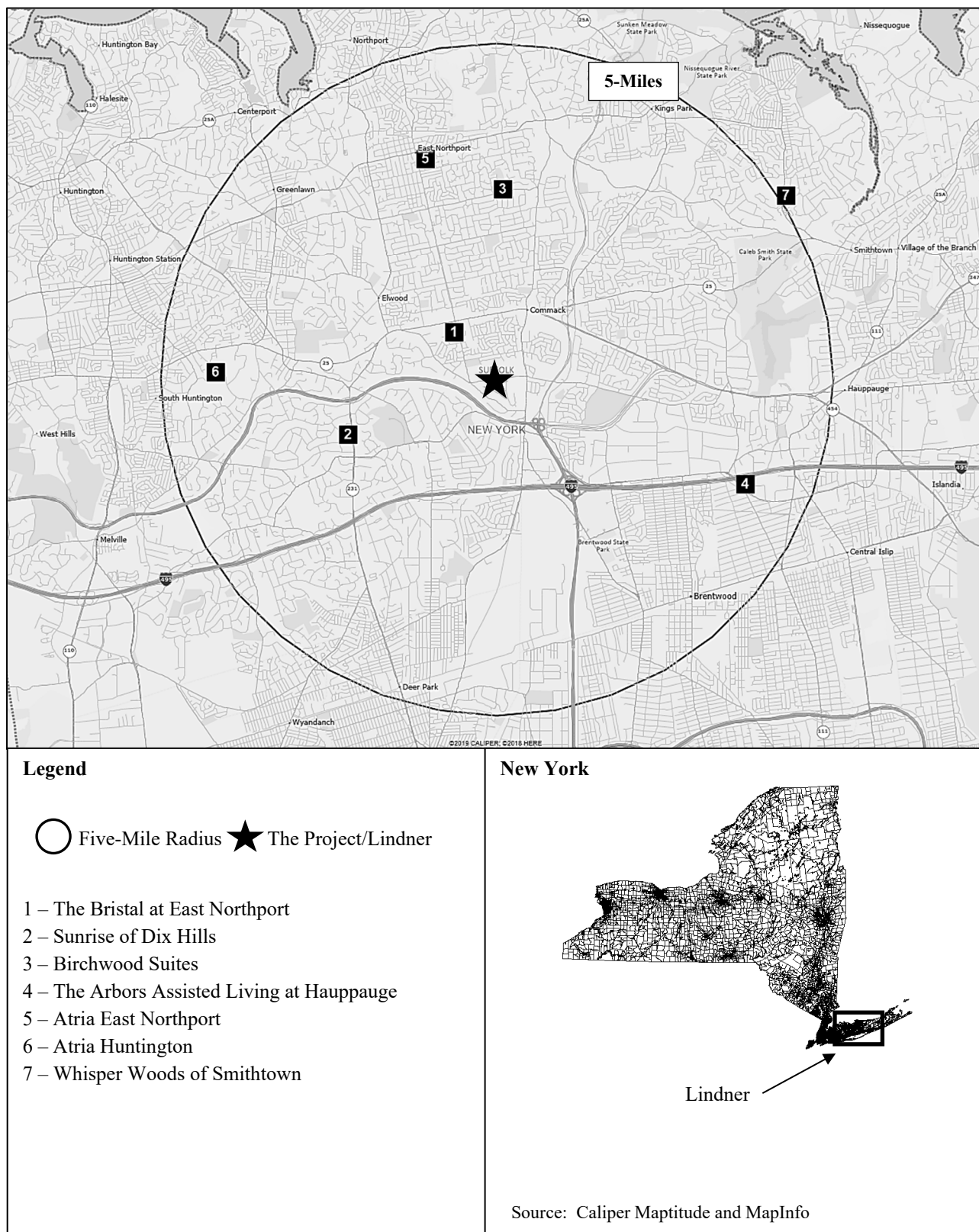
Assisted living facilities in New York are regulated by the Department and have traditionally been licensed as an Adult Home, Enriched Housing Program (“EHP”), Assisted Living Residence (“ALR”) and/or an as Assisted Living Program (“ALP”).

- An Adult Home is established and operated for the purpose of providing long-term care, room, board, housekeeping, personal care and supervision to five or more adults unrelated to the operator.
- An EHP provides the same services as an Adult Home but is required to provide these services primarily to persons age 65 or older in community-integrated settings resembling independent housing units.
- An ALR is a certified AH or EHP in accordance with Article 7 of the Social Services Law that has been approved by the Department for licensure to provide or arrange for housing, 24-hour on-site monitoring and personal care services and/or home care services in a home-like setting to five or more adult residents. ALRs must provide daily meals and snacks, case management services and are required to develop an individualized service plan. The law also provides important consumer protections for people who reside in an ALR.
- An ALP, which is available in some Adult Homes and EHPs, combines residential and home care services and is Medicaid funded. It is designed as an alternative to nursing home placement for individuals who have historically been admitted to residential health care facilities for reasons that are primarily social rather than medical in nature. ALP operators are responsible for providing or arranging for residents to have room, board, housekeeping, supervision, personal care, case management and home health services. The ALP is a Medicaid funded service for personal care services.

The Assisted Living Reform Act – Chapter 2 of the Laws of 2004 (the “Act”), created several new certification categories including enhanced ALR (“EALR”) and SNALR. Collectively, there are three types of ALRs: Basic ALRs (“BALR”), Enhanced ALR (“EALR”) and Special Needs ALRs (“SNALR”).

- BALRs are designed to meet the individual’s social and residential needs, while also encouraging and assisting with ADLs.
- EALRs may admit and retain residents who exceed the retention standards of Adult Homes, EHPs, and ALRs, but may not admit residents in need of 24-hour residential health care. EALRs have the flexibility to retain residents whose care needs increase if the resident hires appropriate nursing, medical, or hospice staff to provide the care required. People in EALRs may require more assistance with ADLs than in a BALR.
- SNALRs serve individuals with special care needs including but not limited to dementia or cognitive impairments. In order for an Adult Home to admit individuals requiring special care related to dementia or cognitive impairments, the facility must submit a written description of the specialized services, staffing levels, staff education and training, work experience, environmental modifications and policies and procedures reflective of the special needs guidelines and be approved for the additional SNALR license.

The following map depicts Lindner Residences and the seven assisted living communities located nearest to the Project.



Existing Assisted Living Facilities near the Project

The following table summarizes the number of units, the percentage occupied and current monthly fees of the comparable existing (facilities with 20 or more beds) located near the Project, based on surveys conducted through February 2021.

Table 28
Comparable Assisted Living Facilities near the Project

Facility Name	Miles from the Project	Year Opened	Number of Assisted Living Units	Number of Memory Support Units	Square Footage	Occupancy Percentage	Assisted Living Monthly Fees	Memory Care Monthly Fees	Level of Care Fees
Lindner Residences	–	2001	187	14	424 – 1,049	81%	\$5,300 – 7,600	\$7,500	AL: \$2,250 – 3,450 MC: \$1,800
The Bristol at East Northport	2.7	2011	100	18	453 – 856	85%	\$5,050 – 7,600	\$8,400	AL: Up to \$2,829 MC: All Inclusive
Sunrise of Dix Hills	3.7	2003	53	23	370 – 590	94%	\$5,000 – 6,000	\$6,800	\$1,000 – 4,000
Birchwood Suites	3.9	2000	45	10	324	64%	\$5,500 – 7,500	\$7,000 – 9,000	AL and MC: All Inclusive
The Arbors Assisted Living at Hauppauge	4.8	1996	119	–	204	87%	\$4,600	–	AL: All Inclusive
Atria East Northport	5.0	1996	85	37	300 – 700	83%	\$4,500 – 7,000	\$9,300	AL: \$585 – 3,510 MC: All Inclusive
Atria Huntington	6.5	1987	75	–	182 – 605	86%	\$3,795 – 4,700	–	\$640 – 3,840
Whisper Woods of Smithtown	6.9	2018	72	29	350 – 500	87%	\$6,300 – 7,800	\$7,200	AL and MC: Point system
Totals/Weighted Average			736	131		84%			

Source: Management and surveys conducted by DHG through February 2021.

Notes to the Table:

Lindner Residences

- (a) A one-time, non-refundable community fee equal to 45 days rent is required upon move-in.
- (b) The second person monthly fee is \$1,300.
- (c) The monthly fee for a companion suite in memory care is \$7,000.
- (d) Occupancy is lower than typical as a result of COVID-19. Pre-COVID-19 occupancy was approximately 92 percent.

The Bristol at East Northport

- (a) A one-time, non-refundable community fee equal to the first month's rent is required upon move-in.
- (b) The second person fee in the assisted living units is \$1,500.

Sunrise of Dix Hills

- (a) A one-time, non-refundable community fee equal to the first month's rent is required upon move-in.
- (b) There are three levels of care for medication management.

Birchwood Suites

- (a) A one-time, non-refundable community fee equal to the first month's rent is required upon move-in.
- (b) The monthly fee for a companion suite is \$4,250 and \$5,500 for assisted living and is \$5,500 and \$6,500 for memory care.
- (c) Occupancy is lower than typical as a result of COVID-19. Pre-COVID-19 occupancy was approximately 92 percent.

The Arbors Assisted Living at Hauppauge

- (a) A one-time, non-refundable community fee equal to one month's rent is required upon move-in.
- (b) The monthly fee for a companion suite is \$3,400.

Notes to Table (continued)

Atria East Northport

- (a) The second person monthly fee in traditional assisted living is \$1,500 plus level of care fees.
- (b) Semi-private companion suites are available in assisted living and memory care assisted living for \$4,500 and \$6,595 per month per person, respectively.

Atria Huntington

- (a) A one-time, non-refundable community fee equal to one month's rent is required upon move-in.
- (b) The monthly fee for a companion suite is \$2,700.
- (c) There are three levels of care for medication management that range from \$590 to \$790 per month.

Whisper Woods of Smithtown

- (a) A one-time, non-refundable community fee of \$6,500 is required upon move-in.
- (b) The monthly fee for a companion suite is \$4,500 for assisted living and is \$6,600 for memory care.
- (c) The monthly fee for medication management is \$720.

Planned Assisted Living and Memory Support Developments

Based on discussions with representatives of the local planning agencies and interviews with existing assisted living facilities and retirement communities, there are five assisted living communities planned near the Project.

Artis Senior Living, an operator of over 20 memory care communities in 11 states, is constructing a new memory care community to be known as "Artis Senior Living of Commack." Artis Senior Living of Commack is located at 1131 Jericho Turnpike in Commack, approximately three miles northeast of the Project. The project, which is expected to open in spring 2021, is to include 64 AH beds with additional licensure for ALR, EALR and SNALR. Monthly fees are expected to start at \$8,900 and level of care fees are anticipated to go up to \$9,600.

Sunrise Senior Living submitted an application for a zoning change request to the Town of Huntington to develop an assisted living and memory care facility at the intersection of Pulaski Road and Old Bridge Road in East Northport, approximately five mile north of the Project. The planned community, to be known as Sunrise of East Northport, is expected to consist of 90 assisted living and memory care units on an approximate six-acre site.

D & F Development Group, LLC (the "D&F Group"), a developer of affordable family and senior housing developments, along with Life Care Services, a developer, manager and operator of senior living communities across the country, are developing an assisted living community approximately six miles southeast of the Project at 425 Wheeler Road in Hauppauge. The project, to be known as "Village Reach", is expected to include 136 assisted living units. Village Reach is to be operated by Carlisle Communities (a D&F Group affiliate) and is to be managed by Life Care Services. The project is currently in site plan review with the Town of Islip.

Freedom's Point Assisted Living is a planned assisted living and memory care community to be located approximately seven miles north of the Project at 79 Middleville Road in Northport. The project, which would be located at the Veterans Administration Medical Center Northport campus, is expected to include 88 assisted living units and 22 memory care units. Advancement of the project is pending the Veterans Affairs decision to proceed.

St. Johnland Nursing Center, an existing 100-bed nursing facility approximately 11 miles northeast of the Project at 395 Sunken Meadow Road in Kings Park, is planning an assisted living project. The project is expected to include 100 ALP beds with approximately 20 beds offered under a market rate pay structure. The assisted living project is expected to open in 2022.

Description and Utilization of Nursing Beds

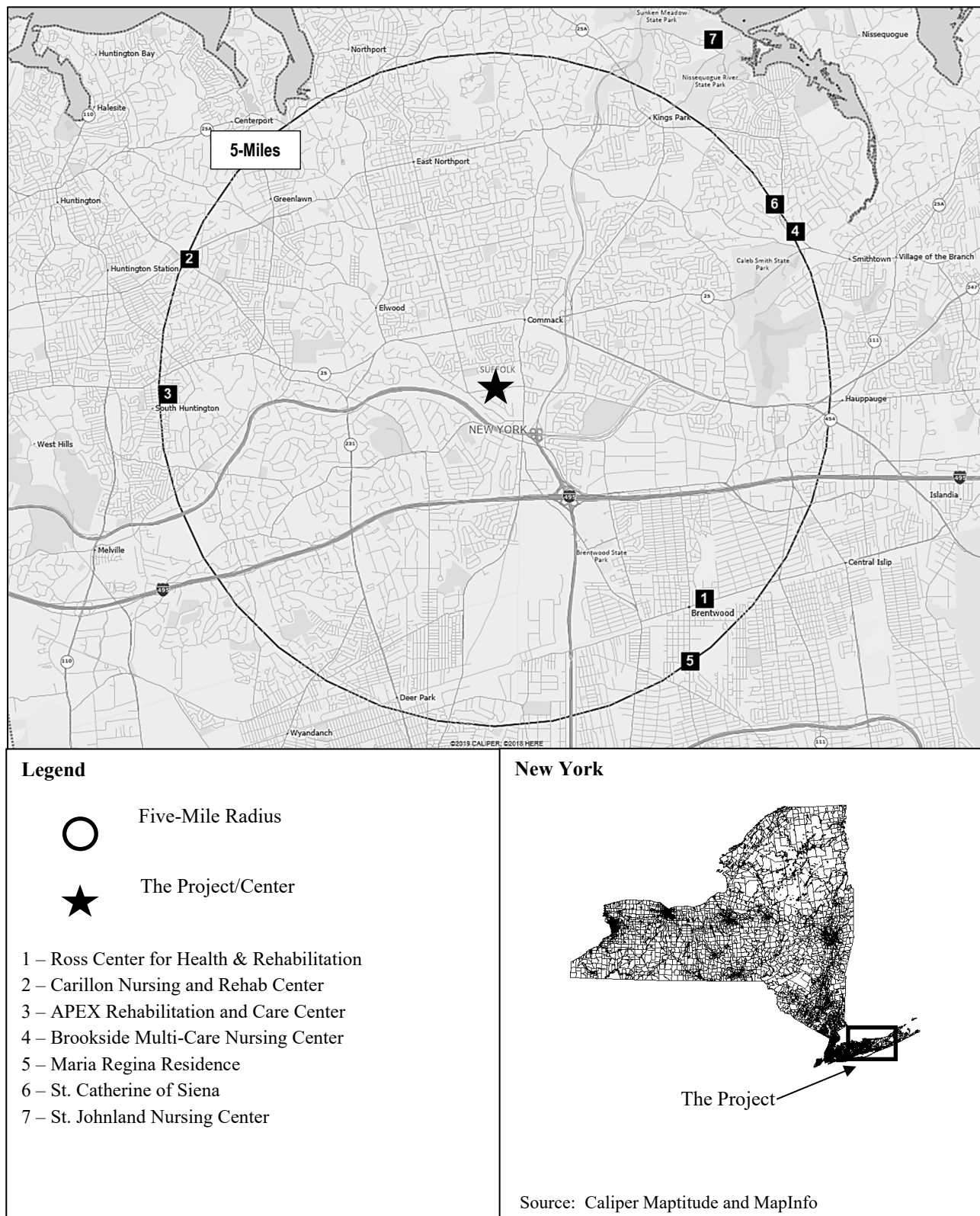
The Department governs the establishment and construction of health care facilities through the Certificate of Need (“CON”) process. CON applications are required for all health care facilities that propose construction, acquisition of major medical equipment, changes in ownership and the addition of services.

New York uses a variety of criteria to determine if a geographic area is in need of skilled nursing beds. Public need is assessed based on population demographics, service utilization patterns, epidemiology of selected diseases and conditions and access to services. Financial feasibility is also considered based on expenses, projected revenues, current financial status, and capacity to retire debt. The character and competence of the applicant is measured based on past performance in operating a health care service, including records of violations, if any, and whether a substantially high level of care was maintained. Applicants without experience in health care services are evaluated based on compliance with laws and practices pertinent to their professional experience.

A full CON review is required when a facility changes ownership. The New York Public Health and Health Planning Council oversees the CON process and reviews all proposals related to changes in ownership.

The Nursing Beds are licensed and regulated by the Department and comply with the Long-Term Care Facilities Code.

The following map depicts Gurwin Nursing and the seven nursing facilities located nearest to Gurwin Nursing.



Existing Comparable Nursing Facilities

The following table identifies Gurwin Nursing and seven nursing facilities located nearest to the Project and summarizes the number of nursing beds, daily charges and occupancy rates based on surveys conducted through February 2021.

Table 29 Existing Nursing Facilities Near the Project							
Facility Name	Driving Miles from the Project	Year Opened	Total Beds	Current Occupancy	Daily Rates		Medicare Star Rating ⁽¹⁾
					Private	Semi-private	
Gurwin Nursing	—	1989	460	80%	\$614	\$603	5 Stars
Ross Center for Health & Rehabilitation	5.7	1969	120	81%	\$410	\$390	3 Stars
Carillon Nursing and Rehab Center	5.8	1969	315	68%	\$645	\$635	4 Stars
APEX Rehabilitation and Care Center	5.9	1954	195	93%	\$550	\$500	5 Stars
Brookside Multi-Care Nursing Center	6.4	1974	353	89%	\$425	\$400	4 Stars
Maria Regina Residence	6.5	1970	188	69%	\$587	—	5 Stars
St. Catherine of Siena	7.4	1991	240	60%	\$470	\$450	5 Stars
St. Johnland Nursing Center ⁽²⁾	7.5	1975	250	88%	\$630	\$630	4 Stars
Total/Weighed Averages			2,121	79%			

Source: Management, NYDH and surveys conducted by DHG through February 2021.

(1) The Medicare Nursing Home Five Star Quality Rating System (the “Star Rating”) is an annual rating based on the combined results of the health inspection, staffing and quality measures completed during each nursing homes’ annual survey, and the maximum score is five stars.

(2) The daily rate in the memory care unit is \$684.

Planned Nursing Developments

Based on discussions with representatives of the local planning agencies and interviews with existing skilled nursing facilities and retirement communities, there are no planned skilled nursing near the Project.

Summary of Significant Accounting Policies

(a) Basis of Accounting

The Corporation maintains its accounting and financial records according to the accrual basis of accounting.

(b) Cash and Cash Equivalents

Cash and cash equivalents, excluding those classified as investments and assets limited as to use, include certain investments in highly liquid instruments, including short-term debt securities and money market funds with original maturities of three months or less when purchased.

(c) Property, Equipment and Depreciation Expense

Property and equipment are recorded at cost. Depreciation expense is calculated on the straight-line method over the estimated useful lives of depreciable assets. The cost of maintenance and repairs is charged to operations as incurred, whereas significant renewals and betterments are capitalized.

(d) Assets Limited as to Use

Assets limited as to use are assumed to be carried at fair value, which, based on the nature of the underlying securities, is assumed to approximate historical cost. Management assumes no material changes in fair values that result in material net realized or unrealized gains or losses during the forecast period.

(e) Investment Income

Investment income is reported as operating revenue unless restricted by donor or law. Management assumes no changes in fair values that result in material net realized or unrealized gains or losses during the forecast period.

(f) Resident Deposits

Certain Residency Agreements require an advance payment to be made at the time an individual is accepted for residency into the Project. Any balance remaining upon vacancy is to be refunded to the individual or the individual's family.

(g) Deferred Revenue from Entrance Fees

Fees paid by a Resident upon entering into a Residency Agreement, net of the portion thereof which is refundable to the Resident, are recorded as deferred revenue and amortized into net resident services revenue using the straight-line method over the estimated remaining life expectancy of the Resident, adjusted on an annual basis.

(h) Refundable Entrance Fees

Refundable Entrance Fees received are deferred and the refundable portion of the Entrance Fee is maintained as a liability, reflecting the Corporation's future obligation for repayment.

(i) Estimated Obligation to Provide Future Service and Use of Facilities for Residents

Management calculates the present value of the net cost of future services and the use of facilities to be provided to current Residents and compares that amount with the balance of deferred revenue from Entrance Fees. The obligation to provide future services to Residents represents the estimated net future costs to serve Residents, net of revenue from those Residents, who were parties to a Residency Agreement on the Corporation's fiscal year end. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from Entrance Fees, a liability is recorded. For purposes of the forecast, no provision for future service obligations is assumed to be required during the forecast period.

(j) Deferred Marketing Costs

Management has implemented ASU No. 2014-09 “Revenue from Contracts with Customers” which adjusts the treatment of deferred marketing costs. Previously, marketing costs incurred in acquiring initial Resident contracts may have been capitalized and amortized on a straight-line basis over a period of the approximate average life expectancy of the initial Residents. Under the new Standard, only incremental marketing expenditures incurred specifically to obtain the Resident contract can be capitalized. Management assumes that a portion of Project related marketing costs are incremental expenditures and are to be capitalized.

(k) Deferred Financing Costs and Original Issue Discount

Costs associated with the issuance of the related financing are assumed to be capitalized and amortized over the expected life of the bonds using the effective interest method. Debt issuance costs and original issue discount are netted against the related debt on the balance sheet and the amortization is included in interest expense on the statement of operations.

(l) Costs of Borrowing

Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

(m) Net Assets

Net assets without donor restrictions are resources of the Corporation that are not restricted by donors or grantors as to use or purpose. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions.

(n) Tax-Exempt Status

The Corporation is a non-profit organization exempt from federal income and excise taxes under section 501(c)3 of the Internal Revenue Code and are classified as other than a private foundation.

(o) Revenue Recognition

Management has implemented ASU No. 2014-09 “Revenue from Contracts with Customers” and recognizes 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. The guidance in ASU 2014-09 supersedes the FASB’s prior revenue recognition requirements and most industry-specific guidance. The provisions of ASU 2014-09 are effective for the purpose of Management’s forecast.

(p) Restricted Cash

During 2019 the Corporation adopted FASB ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end of period total amounts shown on the statement of cash flows. The Corporation is evaluating the impact of adoption of the ASU and has not made a final determination. For purposes of the forecast, Management has not presented restricted cash or restricted cash equivalents on the statement of cash flows.

Summary of Revenue and Entrance Fee Assumptions

Independent Living Revenue

Independent living monthly service revenue is based upon charges for services provided to Residents of the Independent Living Units and upon assumed occupancy and the Monthly Fees of the respective units. Management assumes the Independent Living Units Monthly Fees are to increase 3.0 percent beginning January 1, 2023, and annually thereafter.

The Independent Living Unit are assumed to achieve and maintain an approximate 94 percent occupancy level by August 2024 and remain at that level throughout the forecast period. The following table summarizes the assumed occupancy of the Independent Living Units.

Table 30
Utilization of Independent Living Units

Fiscal Year Ending December 31,	Average Units Occupied	Average Units Available	Average Occupancy
<i>Forecasted:</i>			
2021	-	-	-
2022 ⁽¹⁾	25.1	129.0	19.5%
2023	91.7	129.0	71.1%
2024	117.1	129.0	90.8%
2025	121.0	129.0	93.8%

(1) The 27 Terraces Independent Living Units and the 102 Parkview Independent Living Units are anticipated to be available for occupancy in March 2022 and June 2022, respectively, and are anticipated to fill over a 30-month period at an average of approximately 4.0 units per month.

The following table summarizes the move-in assumptions for the Independent Living Units during the forecast period.

Table 31
Fill-Up Schedule – Independent Living Units

Fiscal Year/Month	Monthly Move-Ins	Cumulative Occupied	Cumulative Occupancy ⁽¹⁾
2022			
March	3.0	3.0	2.3%
April	3.0	6.0	4.7%
May	5.0	11.0	8.5%
June	7.0	18.0	14.0%
July	10.0	28.0	21.7%
August	10.0	38.0	29.5%
September	10.0	48.0	37.2%
October	6.5	54.5	42.2%
November	6.5	61.0	47.3%
December	6.5	67.5	52.3%
2023			
January	4.5	72.0	55.8%
February	4.5	76.5	59.3%
March	4.5	81.0	62.8%
April	4.5	85.5	66.3%
May	4.5	90.0	69.8%
June	4.5	94.5	73.3%
July	4.5	99.0	76.7%
August	1.8	100.8	78.1%
September	1.8	102.6	79.5%
October	1.8	104.4	80.9%
November	1.8	106.2	82.3%
December	1.8	108.0	83.7%

Table 31, continued
Fill-Up Schedule – Independent Living Units

Fiscal Year/Month	Monthly Move-Ins	Cumulative Occupied	Cumulative Occupancy ⁽¹⁾
2024			
January	1.8	109.8	85.1%
February	1.8	111.6	86.5%
March	1.8	113.4	87.9%
April	1.8	115.2	89.3%
May	1.8	117.0	90.7%
June	1.8	118.8	92.1%
July	1.8	120.6	93.5%
August	0.4	121.0	93.8%
Total	121.0		93.8%

Source: Management

(1) Cumulative occupancy based on 129 Independent Living Units.

The double occupancy percentage in the Independent Living Units is assumed to approximate 44.9 percent in 2022, increasing to 46.8 percent in 2023 and decreasing to 43.2 in 2024 and 35.0 percent in 2025, as provided by A.V. Powell and Associates, LLC (the “Actuary”).

Assumed Independent Living Turnover

The assumed turnover for the Independent Living Units due to death, withdrawal or transfer to Health Care Center has been provided by the Actuary.

Refunds of Entrance Fees are generated upon death or termination of the Residency Agreement. Entrance Fees may be generated from Independent Living Units turning over without a corresponding refund because a Resident under the Life Care Contract has not withdrawn from the Project, but has permanently transferred to the Gurwin Health Care Facilities. The assumed number of refunds for the Independent Living Units is provided by the Actuary.

The following table presents the assumed Entrance Fees received and Entrance Fees refunded.

Table 32 Entrance Fee Receipts and Refunds (In Thousands)					
Fiscal Year Ending December 31,	2021	2022	2023	2024	2025
<i>Initial:</i>					
Number of Entrance Fees received	-	67.5	40.5	13.0	-
Entrance Fees received	-	\$48,630	\$27,483	\$8,268	-
Charter entrance fee discounts	-	(3,000)	-	-	-
<i>Turnover:</i>					
Number of Entrance Fees received	-	1.6	4.0	6.5	9.4
Entrance Fees received	-	\$575	\$2,264	\$3,987	\$5,314
Total Fees Received	-	\$46,205	\$29,747	\$12,255	\$5,314
Total Fees Refunded	-	\$(415)	\$(1,280)	\$(1,638)	\$(1,807)
Total Entrance Fees Received, Net of Refunds	-	\$45,790	\$28,467	\$10,617	\$3,506

Source: Management and the Actuary

Entrance Fees for the Independent Living Units are assumed to increase 3.0 percent annually during the forecast period.

Health Care Daily Service Fees

Daily Fees are generated from assisted living services provided to Residents that permanently transfer from the Independent Living Units to an Assisted Living Unit at Lindner Residences. Assisted Living Daily Fees are assumed to increase 3.0 percent beginning January 1, 2023, and annually thereafter.

Daily Fees are generated from skilled nursing services provided to Residents that permanently transfer from the Independent Living Units to a Skilled Nursing Bed at Gurwin Nursing. Nursing Service Daily Fees are assumed to increase 3.0 percent beginning January 1, 2023, and annually thereafter.

Under the Life Care Contract, upon temporary or permanent transfer to the Gurwin Health Care Facilities, a Resident continues to pay the Monthly Fee associated with the Residence. Second persons continue to pay the second person Monthly Fee associated with the Independent Living Unit selected.

Under the Modified Contract, upon temporary or permanent transfer to the Gurwin Health Care Facilities, the Resident receives 60 cumulative days of care at Lindner Residences and 60 cumulative days of care at Gurwin Nursing and continues to pay the Monthly Fee associated with the Residence. After the Resident has received 60 days of cumulative care at Lindner Residences or Gurwin Nursing, the Resident would continue to pay the Monthly Fee of the Residence as well as the excess between the Monthly Fee of the Residence and 95 percent of the private pay rate charged by Lindner Residences and 90 percent of the private pay rate charged by Gurwin Nursing.

Assumed Resident Transfers to Assisted Living and Skilled Nursing

The assumed number of Resident transfers to the Gurwin Health Care Facilities are provided by the Actuary. The following table summarizes the forecasted transfers to the Gurwin Health Care Facilities.

Table 33						
Resident Transfers to the Gurwin Health Care Facilities						
Years ended December 31,	Assisted Living			Nursing		
	Temporary Resident ⁽¹⁾	Life Care	Modified	Temporary Resident ⁽¹⁾	Life Care	Modified
<i>Forecasted:</i>						
2021	-	-	-	-	-	-
2022	0.3	0.1	0.1	0.3	0.1	0.1
2023	0.9	1.4	0.5	0.9	0.3	0.3
2024	1.2	1.4	1.6	1.2	0.7	0.8
2025	1.2	3.0	3.3	1.4	1.5	1.6

Source: Management and the Actuary

- (1) Under the Modified Contract the Resident receives 60 cumulative days of care at Lindner Residences and 60 cumulative days of care at Gurwin Nursing during which they continue to pay the Monthly Fee associated with their Independent Living Unit.

Other Revenue

Other revenue is generated from additional residential meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. These revenues are assumed to increase 3.0 percent annually throughout the forecast period.

Investment Income

Management has assumed an annual rate of return on the Corporation's cash and cash equivalents, unrestricted investments, board designated funds and operating reserve accounts of 2.50 percent and annually throughout the forecast period. Based upon information provided by the Corporation's Underwriter, Management has assumed average annual rates of return of 0.20 percent on the Project Fund and the Funded Interest Fund, and 0.60 percent on the Debt Service Reserve Funds.

Summary of Operating Expense Assumptions

Operating expenses are estimated by Management based on its experience and with the development and operation of other similar retirement communities. Staff salaries and benefits are based on prevailing local salary and wage rates and are assumed to increase 3.0 percent annually throughout the forecast period. The cost of employee fringe benefits, consisting primarily of payroll taxes, health insurance and other costs for employees are assumed to approximate 27.7 percent throughout the forecast period. The following table summarizes the assumed staffing levels in the stabilized year period for all departments.

Table 34
Schedule of Staffing Levels (FTEs) – 2025

Department	Total
General and administrative	9.8
Maintenance	5.3
Food Services	21.4
Housekeeping	6.3
Total FTEs	42.8

Source: Management

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, property taxes, Shared Services Fees, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses.

Pursuant to the Heath Care Services Agreement, Management assumes that the Corporation will pay Gurwin Health Care Services Fees. Residents of the Project who permanently transfer to the Gurwin Health Care Facilities under a Life Care Contract or a Resident of the Project that temporarily transfers to the Gurwin Health Care Facilities and are eligible for up to 60 days of assisted living and 60 days of nursing services, the Corporation is assumed to pay a Gurwin Health Care Services Fee equivalent to the then current agreed upon daily rates for assisted living and nursing services at the Gurwin Health Care Facilities. For the purpose of Management's forecast, the assumed agreed upon daily rates are \$201 for assisted living and \$464 for nursing services in 2022 dollars. For Residents of the Project that permanently transfer to the Gurwin Health Care Facilities under the Modified Contract, the Corporation is assumed to pay a Gurwin Health Care Services Fee of the then current private pay daily rates for assisted living and nursing services at the Gurwin Health Care Facilities. For the purpose of Management's forecast, the assumed private pay daily rates are \$217 for assisted living and \$652 for nursing services in 2022 dollars.

The cost of these non-salary operating expenses is assumed to increase 3.0 percent annually throughout the forecast period.

Assets Limited as to Use

In connection with the Series 2021 Bonds, the following funds and accounts are assumed to be maintained upon issuance:

- (1) Bond Fund – to contain the bond principal and interest payments to be used for payment of debt service on the Series 2021 Bonds.
- (2) Project Fund – to be gross funded at the closing from a portion of the Series 2021 Bonds proceeds, to be used to pay for construction and related costs for the Project.
- (3) Funded Interest Fund – to be net funded from the Series 2021 Bonds proceeds, to be used to fund interest on the Series 2021 Bonds for a period of approximately 24 months.
- (4) The Debt Service Reserve Funds – to be funded with proceeds received from the closing of the Series 2021 Bonds.
- (5) Entrance Fee Fund – to be funded with initial Entrance Fees from the Project, available to: pay Entrance Fee refunds; fund the Working Capital Fund; initially fund the Operating Reserve Fund; and fund Series 2021B/C Bonds principal payments.
- (6) Operating Reserve Fund - to be initially funded with approximately \$3,000,000 of initial Entrance Fees received from the Independent Living Units, is to be available to make up deficiencies, if any, in the Project Fund; pay Project related operating, marketing and pre-opening expenses; and pay debt service on the Series 2021 Bonds, to the extent that other moneys are not available. The Operating Reserve Fund is assumed meet the requirements of the Insurance Department for the State of New York Regulation No. 350.6, which provides that a reserve be maintained related to the Project, calculated as 35 percent of forecasted operating expenses, plus Project Entrance Fee refunds becoming due within the next 12 months.
- (7) Working Capital Fund – to be initially funded with approximately \$6,000,000 of initial Entrance Fees received from the Independent Living Units and \$665,000 from a portion of the Series 2021 Bonds proceeds, to be applied to pay operating expenses associated with the Project or interest payments to the extent that interest is not fully funded.
- (8) Resident Deposits – to be funded with deposits made prior to becoming a Resident of the Project.

Property and Equipment and Depreciation Expense

Management estimates that the Project is assumed to incur routine capital additions during the forecast period that will be capitalized as property and equipment. Depreciation expense for all capital assets is computed based on the straight-line method for buildings and equipment over estimated average useful lives of 40 and 5 years, respectively.

Property and equipment costs, net of accumulated depreciation, during the forecast period are summarized in the table below.

Table 35
Schedule of Property and Equipment
(In Thousands)

Years Ending December 31,	2021	2022	2023	2024	2025
Property and equipment, gross Beginning Balance	\$6,692	\$63,501	\$93,387	\$93,562	\$93,750
Project costs	52,859	27,413	-	-	-
Capitalized Interest	3,950	2,273	-	-	-
Routine capital additions	-	200	175	188	202
Property and equipment, gross	\$63,501	\$93,387	\$93,562	\$93,750	\$93,952
Accumulated depreciation	-	(2,048)	(4,522)	(7,014)	(9,526)
Property and equipment, net Ending Balance	\$63,501	\$91,339	\$89,040	\$86,736	\$84,426

Source: Management

Long-Term Debt and Interest Expense

The Series 2021A Bonds

The Series 2021A Bonds are assumed to consist of \$39,745,000 of fixed rate tax-exempt revenue bonds, issued at a discount, with assumed interest rates ranging from 5.45 to 6.00 percent per annum. Principal on the Series 2021A Bonds is to be paid annually commencing July 1, 2026 with a final maturity on July 1, 2056. Interest on the Series 2021A Bonds is to be payable January 1 and July 1 of each year beginning July 1, 2021.

The Series 2021B/C Bonds

The Series 2021B/C Bonds are assumed to consist of \$63,500,000 of unrated, tax-exempt fixed rate Entrance Fee Principal Redemption Bonds ("EFPRB"), issued at a discount, with assumed interest rates ranging from 3.500 to 4.125 percent per annum. The Series 2021B/C Bonds are assumed to consist of \$32,500,000 of Series 2021B Bonds and \$31,000,000 of Series 2021C Bonds. The Series 2021C Bonds are assumed to be redeemed in full by April 1, 2023 using initial Entrance Fee proceeds remaining after the funding the Operating Reserve Fund and the Working Capital Fund, from approximately 47 percent occupancy of the Independent Living Units. The Series 2021B Bonds are assumed to be redeemed in full by April 1, 2024 using initial Entrance Fee proceeds remaining after the funding the Operating Reserve Fund, the Working Capital Fund, and repayment of the Series 2021C Bonds, from approximately 84 percent occupancy of the Independent Living Units. Interest on the Series 2021 B/C Bonds is to be payable January 1 and July 1 of each year beginning July 1, 2021.

Subordinate Loan

The Subordinate Loan from the Foundation of approximately \$4,000,000 is assumed at the closing of the Series 2021 Bonds. Principal and interest payments on the Subordinate Loan are subordinated to the Series 2021 Bonds and commence following the fulfillment of certain conditions, including (1) full repayment of the Series 2021B/C Bonds; (2) Independent Living Units occupancy of 85 percent; and (3) compliance with all covenants. Interest on the unpaid principal amount of the Subordinate Loan is assumed to accrue at 2.0 percent per annum. Management assumes that the principal and accrued interest on the Subordinate Loan are paid during fiscal year 2025.

The following table presents the assumed annual debt service associated for the Series 2021 Bonds during the forecast period and thereafter.

Table 36
Schedule of Annual Debt Service
(in thousands of dollars)

Year Ending December 31,	Series 2021A Bonds		Series 2021B/C Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2021	\$ -	\$ 682	\$ -	\$ 1,263	\$ 1,945
2022	-	2,362	14,945	2,344	19,651
2023	-	2,362	43,375	1,138	46,875
2024	-	2,362	5,180	61	7,603
2025	-	2,362	-	-	2,362
Thereafter	39,745	48,508	-	-	88,253
Total	\$ 39,745	\$ 58,638	\$ 63,500	\$ 4,806	\$ 166,689

Source: Management and the Underwriter

Current Assets and Current Liabilities

Operating expenses exclude amortization, depreciation, other non-cash expenses and interest expense. Operating revenues include the monthly and daily services fees for the Project and other revenues. Working capital components have been estimated based on industry standards and Management's historical experience as follows:

Table 37
Working Capital – Days on Hand

Accounts receivables, net	10	days operating revenues
Prepaid expenses and other assets	15	days operating expenses
Inventory	1	days operating expenses
Accounts payable	30	days operating expenses
Accrued expenses	15	days operating expenses

Source: Management

INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees
Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens
Commack, New York

Our examination of the financial forecast presented in the preceding section of this document was made for the purpose of forming an opinion on whether the financial forecast is presented in conformity with AICPA guidelines for the presentation of a forecast and that the underlying assumptions provide a reasonable basis for the forecast. The study was undertaken to evaluate the Corporation's ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed Series 2021 Bonds based on Management's assumptions of future operations of the Corporation. However, future events could occur which could adversely affect the financial forecast of the Corporation and the Corporation's ability to meet debt service requirements. These factors include, among others, legislation and regulatory action, changes in assumptions concerning occupancy, per diem rates, financing and operating costs.

The accompanying supplemental information is presented for purposes of providing additional analysis and is not a required part of the financial forecast nor considered an all-inclusive list. Such information has not been subjected to procedures applied in the examination of the financial forecast and, accordingly, we express no opinion or any other form of assurance on it.

The following supplemental analyses are presented for the purpose of demonstrating the significance of certain assumptions and are not to be considered an all-inclusive list.

Dixon Hughes Goodman LLP

Atlanta, Georgia
February 12, 2021

Sensitivity Analysis I – Occupancy

Occupancy rates can vary depending upon economic conditions, the competitive environment and Management’s ability to execute the marketing and sales plan. Residents are to begin moving in to the Independent Living Units in March 2022. Management expects the Independent Living Units to achieve and maintain a 93.8 percent occupancy level by August 2024.

Sensitivity Analysis IA

The data presented in the table below demonstrate the impact of an extension in the assumed move-in period of the Independent Living Units from 30 month to 42 months. For purposes of this analysis, certain fixed operating expenses and staffing expenses and repayment of the Series 2021B/C Bonds have not been adjusted for reductions of the occupancy of the Independent Living Units.

Sensitivity Analysis IB

The data presented in the table below provides a “Breakeven Analysis” assuming a proportionally lower stabilized occupancy of the Independent Living Units such that a 1.00x Maximum Annual Debt Service Coverage Ratio is achieved in fiscal year 2025. In the Sensitivity IB Breakeven Analysis, the Independent Living Units stabilized occupancy was reduced to “breakeven” while the assumed number of transfers to the Gurwin Health Care Facilities remained as originally forecasted. For purposes of this analysis, certain fixed operating expenses, staffing expenses and forecasted repayment of the Series 2021B/C Bonds have not been adjusted for reductions of the occupancy of the Independent Living Units.

Table 38
Sensitivity Analysis – I
Estimated Financial Information
For the Year Ending December 31, 2025

	As Forecasted	Sensitivity IA ⁽¹⁾	Sensitivity IB ⁽²⁾⁽³⁾
<i>Independent Living Units:</i>			
Move-in Period	30 months	42 months	30 months
Stable Occupancy Achieved	August 2024	August 2025	August 2024
Occupancy at December 31, 2025	93.8%	93.8%	81.4%
Average Number of Move-ins per Month	4.0	2.9	3.5
Max. Annual Debt Service Coverage Ratio	1.63x	1.52x	1.00x
Days Cash on Hand	494	454	31

Source: Management

- (1) For purposes of the sensitivity analysis, occupancy of the Independent Living Units was modified without a corresponding adjustment to certain fixed operating expenses and repayment of the Series 2021B/C Bonds is assumed to be adjusted to reflect receipt of initial entrance fees based on a 42 month move-in period.
- (2) For purposes of the sensitivity analysis, occupancy of the Independent Living Units was modified without a corresponding adjustment to certain fixed operating expenses, staffing expenses or repayment of the Series 2021B/C Bonds.
- (3) Assumes a reduction in entrance fees received from turnover and entrance fee refunds that correspond with a decrease in occupancy in the Independent Living Units.

Sensitivity Analysis II – Entrance Fee Cash Flow Predictability

Actual Entrance Fee cash flow receipts from turnover may vary from Management's assumptions included in the forecast in regard to either Entrance Fee pricing or the number of turnover Residents. Estimates regarding turnover of the Independent Living Units are based on average age, percentage of couples, morbidity tables, assumed transfer rates to other levels of care, the historical experience of Management and estimates from the Actuary.

Sensitivity Analysis II

Entrance Fee pricing is sensitive to housing prices and other economic conditions. The data presented in the table below are provided to demonstrate the cumulative impact of assuming a 25 percent reduction in turnover Entrance Fees received, while maintaining the assumed Entrance Fee Refunds, in each year of the forecast.

Table 39
Sensitivity Analysis – II
Estimated Financial Information
For the Year Ending December 31, 2025
(In Thousands, Except for Ratios)

	As Forecasted	Sensitivity II ⁽²⁾
Turnover Entrance Fee Received	\$ 5,314	\$ 3,986
Entrance Fee Refunds Paid	(1,807)	(1,807)
Net Entrance Fees Received	\$ 3,507	\$ 2,179
Max Annual Debt Service Coverage Ratio	1.63x	1.15x
Days Cash on Hand ⁽¹⁾⁽²⁾	494	394

Source: Management

(1) For purposes of the sensitivity analysis, the assumed schedule for the repayment of debt remained as originally forecasted.

(2) The sensitivity in the liquidity ratios is due to the 25 percent reduction in turnover Entrance Fees received in each of the forecasted years.

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APPENDIX C

FORMS OF PRINCIPAL DOCUMENTS

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MASTER TRUST INDENTURE

BY AND BETWEEN

GURWIN INDEPENDENT HOUSING, INC.

AND

U.S. BANK NATIONAL ASSOCIATION
AS MASTER TRUSTEE

DATED AS OF MARCH 1, 2021

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MASTER TRUST INDENTURE

This MASTER TRUST INDENTURE dated as of March 1, 2021 (the “**Master Indenture**”) is made by and between GURWIN INDEPENDENT HOUSING, INC., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725, as the initial Obligated Group Member and the Obligated Group Agent (the “**Obligor**”) and U.S. BANK NATIONAL ASSOCIATION, 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 United States, with a designated corporate trust office at 100 Wall Street, 6th Floor, New York, New York 10005, as master trustee (the “**Master Trustee**”).

RECITALS

The Obligor is authorized by law, and deems it necessary and desirable that it, and any other Members of the Obligated Group, be able to issue Obligations (as hereinafter defined) of several series hereunder in order to secure the financing or refinancing of nursing home/retirement community facilities and for other lawful and proper corporate purposes.

The Obligor desires to provide in this Master Indenture for other legal entities in the future to become jointly and severally liable with the Obligor for the payment of the Obligations and the performance of all covenants contained herein. The Obligor and each other entity incurring such joint and several liability in accordance with the terms hereof are herein referred to for purposes of this Master Indenture or any Supplemental Master Indenture individually as a “Member” and collectively as the “Members” or the “Obligated Group.”

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 the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents and of other good and lawful consideration, the receipt of which 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 Obligations 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, mortgage, 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, all and singular the property, real and personal,

hereinafter described (said property being herein sometimes referred to as the “Trust Estate”) to wit:

DIVISION I

Any funds or property held by the Master Trustee under this Master Indenture or under the Mortgage;

DIVISION II

All Gross Revenues of the Obligated Group Members, but except and excluding all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Obligated Group Members, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Obligated Group Members;

The following shall apply to the pledge of Gross Revenues created by this Master Indenture:

Creation: This Master Indenture creates a valid and binding pledge of, assignment of, lien on and security interest in the Gross Revenues in favor of the Master Trustee, for assignment to any Obligation Holder, as security for payment of Obligations, enforceable in accordance with the terms hereof;

Perfection: Under the laws of the State of New York, such pledge, assignment, lien and security interest, and each pledge, assignment, lien, or other security interest made to secure any prior Obligations of the Obligated Group which, by the terms hereof, ranks on a parity with the pledge, assignment, lien and security interest granted hereby, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against any Obligated Group Member on a simple contract. The Obligated Group will have filed or caused to be filed all financing statements describing, and transferred such possession or control over, such collateral (and for so long as any Obligation is outstanding under this Master Indenture the Obligated Group will cause the Master Trustee to file all such continuation statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which an Obligated Group Member is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301--9.306 of such jurisdiction;

Priority: The Obligated Group has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of such collateral that will rank prior to the pledge, assignment, lien and security interest granted hereby other than Permitted Encumbrances. The Obligated Group shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on a parity with the pledge, assignment, lien and security interest granted hereby, or file any financing statement describing

any such pledge, assignment, lien, or security interest, except as expressly permitted under this Master Indenture; and

DIVISION III

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, the 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, at the written request of the Obligated Group Agent, the Master Trustee will execute and deliver, at the cost of the Obligated Group, such appropriate documents, including without limitation, releases and termination statements releasing and/or terminating the Lien created hereunder on those Gross Revenues that are sold or factored to the extent expressly permitted by this Master Indenture; and provided further that Gross Revenues pledged hereunder may be made subject to a Lien to the extent expressly permitted hereunder including, without limitation, liens on the Gross Revenues which consist of accounts receivable that may be sold free and clear of the lien thereon despite this pledge if such Lien is in accordance with the provisions of this Master Indenture and is on commercially reasonable terms;

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 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 hereunder by the Members, then these presents and the estate and rights hereby granted shall cease, terminate 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:

“Additional Indebtedness” means Indebtedness incurred by any Member subsequent to the execution and delivery of this Master Indenture.

“Affiliate” means a corporation, 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 nonprofit 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 nonprofit 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.

“Affiliate Related Subordinated Indebtedness” means fees and other amounts due to an Affiliate of a Member for money borrowed, credit extended or services rendered, the payment of which are deferred or not yet payable at the time of calculation and which are subordinate to payments due on all Obligations issued hereunder in accordance with written agreements between such Affiliates and a Member.

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal amount of which matures during any consecutive 12-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption

or prepayment prior to such 12-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

“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 or consolidated 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 so that no portion of the value of any Property of any Member is included more than once.

“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.

“Cash and Investments” means the sum of cash, cash equivalents, marketable securities, including without limitation board-designated assets, but excluding (a) trustee-held funds other than those otherwise described in this definition, (b) donor-restricted funds to the extent that the payment of debt service on the Indebtedness of the Obligated Group would be inconsistent with the donor’s restrictions, and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligor and any other Member of the Obligated Group. Any amounts on deposit in any debt service reserve fund created under a Related Bond Indenture shall be excluded from the calculation of Cash and Investments for the purposes of determining the number of Days Cash on Hand. For purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable Officer’s Certificate is required to be delivered with respect to such calculation.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations relating to such section.

“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 4.15 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 has been incurred in accordance with the provisions hereof; and (b) with a principal amount not in excess of the amount which is 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, 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 Momentum Index” (available at McGraw Hill Construction, <https://www.construction.com/news>) 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 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 and which other index is not objected to by the Master Trustee.

“Construction Monitor” means Alcala Construction Management, Inc.

“Consultant” means a Person selected by the Obligated Group Agent and not objected to by more than two-thirds in aggregate principal amount of the holders of the Outstanding Obligations pursuant to Section 4.29, which is not, and no member, stockholder, director, officer or employee of which is, an officer or employee of the Obligor or any other Member of the Obligated Group and which is a recognized professional management consultant or accountant (which may be the Obligor’s external auditing firm) in the area of nursing home/retirement community finance and having the skill and experience necessary to render the particular opinion, certificate or report required by the provisions hereof in which such requirement appears.

“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. Contributions shall include payments received from any Affiliate of an Obligated Group Member.

“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, minus the fair market value (as reflected in such most recent appraiser's report) of any Property, Plant and Equipment included in such report but 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; 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 Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of 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, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing the aggregate Expenses (including interest on Indebtedness but excluding provisions for bad debt, amortization, depreciation or any other non-cash expenses) for the trailing twelve months for the periods ending June 30 and December 31, as derived from the financial statements of the Obligor, and any other Member of the Obligated Group, delivered pursuant to Section 4.14, by 365.

"Debt Obligation" means an Obligation issued to secure or evidence any Indebtedness authorized to be issued by a Member pursuant to this Master Indenture which has been authenticated by the Master Trustee pursuant to Section 2.04 hereof.

"Debt Service Coverage Ratio Requirement" means, a Historical Debt Service Coverage Ratio of 1.20:1.

"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 4.15 and 4.16 hereof; (b) interest shall be excluded from the determination of the 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) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which requires that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness, and except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt service; (e) any annual fees payable in respect of a credit facility issued to secure any series of Related Bonds, if any (other than annual fees to be paid from proceeds of a

bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements, and (f) with respect to any Funded Indebtedness for which the number of actual payments of principal in any Fiscal Year is greater than those in the immediately preceding and/or succeeding Fiscal Years solely by reason of the fact that such principal payments are scheduled to occur other than on a specified date or dates, the first or last principal payment in such Fiscal Year, as the case may be, for which the number of payments is higher shall be deemed to be required to be made in the next preceding or succeeding Fiscal Year, as appropriate, so as to have an equal number of principal payments in each Fiscal Year.

"Development Consultant" means Eventus Strategic Partners.

"EMMA" means the Electronic Municipal Market Access system as described in the Securities Exchange Act of 1934, as amended by Release No. 59062, and maintained by the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12, or any similar system that is acceptable to the Securities and Exchange Commission.

"Encumbered" means, with respect to Property, subject to (i) a Lien described in the following subsections of the definition of "Permitted Encumbrances": subsection (r), other than a Lien also covered by subsection (c); subsection (aa), but including only Capitalized Leases; subsections (l)(ii), (s), (v), (x), (y), and (bb); or (ii) any other Liens not described in the definition of Permitted Encumbrances; provided that any amounts on deposit in a construction 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.

"Entrance Fees" means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of living units for the purpose of obtaining the right to reside in those living units or to obtain a parking space including any refundable resident deposits described in any Residency Agreement with respect to those living units or parking spaces, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement or a reservation agreement prior to the occupancy of the living unit or parking space covered by such Residency Agreement (which amounts shall be included if and when occupancy occurs).

"Entrance Fee Guaranty" means the Resident Entrance Fee Guaranty Agreement dated as of March __, 2021 by and among Gurwin Jewish Geriatric Foundation, Inc. d/b/a/ Gurwin Jewish Healthcare Foundation, as Guarantor, the initial Obligated Group Member and the Master Trustee, entered into in connection with the issuance of the Initial Related Bonds.

"Escrow Obligations" means, (a) 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 (b) in all other cases (i) non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America; and (ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local

government unit of any such state (A) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (B) which are secured as to principal and interest and redemption premium by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (A) of this clause (ii), as appropriate, (C) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (A) of this clause (ii) as appropriate, and (D) which are rated "AAA" by Standard & Poor's or "Aaa" by Moody's.

"Excluded Property" means (a) any assets of "employee pension benefit plans" as defined in the Employee Retirement Income Security Act of 1974, as amended, (b) any moneys and securities held as an entrance fee deposit or security deposit, or in a resident trust fund, for any resident of any Facility of a Member prior to such resident's occupancy of any Facility, and (c) the real estate described in **Exhibit B** hereto, as such Exhibit may be amended by the Obligated Group Agent and the Master Trustee from time to time, and all improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith.

"Expenses" means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Person or group of Persons involved during such period, minus (a) interest on Funded Indebtedness (taking into account any Interest Rate Agreement as provided in Section 4.16 hereof), (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale, disposal or abandonment of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (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, (e) losses resulting from any reappraisal, revaluation or write-down of assets other than bad debts, (f) any losses from the sale or other disposition of fixed or capital assets, (g) any losses resulting from changes in the valuation of investment securities and unrealized changes in the value of derivative instruments or resulting from the temporary impairment of investment securities, (h) any other non-cash expenses and (i) any development, management, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination. If such calculation is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded. Generally, any transfers of cash made pursuant to Section 4.17 are not included in the definition of "Expenses."

"Extendable Indebtedness" means Indebtedness which is repayable or subject to purchase at the option of the holder thereof prior to its stated maturity, but only to the extent of money available for the repayment or purchase therefor and not more frequently than once every year.

"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. Facilities shall not include the land, leasehold interests, buildings, fixtures or equipment constituting Excluded Property.

"Fiscal Year" means any 12-month period beginning on January 1 and ending on December 31 of a calendar year or such other consecutive 12-month period selected by the Obligated Group Agent as the fiscal year for the Members.

"Fitch" means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee at the written direction of the Obligated Group Agent.

"Funded Indebtedness" means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed which is not Short-Term; (b) all Short-Term Indebtedness incurred by the Person which is of the type described in Section 4.15(D) hereof; (c) the Person's Guaranties of Indebtedness which are not Short-Term; and (d) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that (i) 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 and (ii) Affiliate Related Subordinated Indebtedness shall not be considered Funded Indebtedness.

"Funded Interest" means amounts irrevocably deposited in an escrow or other trust account to pay interest on Funded Indebtedness or Related Bonds and interest earned on amounts irrevocably deposited in an escrow or other trust account, to the extent such amounts so deposited are required to be applied to pay interest on Funded Indebtedness or Related Bonds.

"Governing Body" means, with respect to a Member, the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested or an executive committee of such board or any duly authorized committee of such board to which the relevant powers of that board have been lawfully delegated.

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third-party payments), condemnation awards, Entrance Fees and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however,

that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group 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, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other residential and commercial areas of the Facilities to be occupied or leased to such residents or tenants, (iv) payments or deposits under a Residency Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of such payment or deposit have been satisfied, and (v) all deposits and/or advance payments made in connection with any residency of the Independent Living Units or other residential and commercial areas of the Facilities to be occupied by residents or tenants and received prior to receipt of such certificate and licenses for occupancy of such units.

“Guaranty” means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend 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: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor; (b) 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; (c) 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 (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

“Hedging Obligation” means an Obligation issued under this Master Indenture, expressly identified as a Hedging Obligation, as being issued in order to evidence or secure financial obligations of a Member in an Interest Rate Agreement.

“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, however, that in calculating the Debt Service Requirements for such 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, and to the extent an Interest Rate Agreement has been entered into in connection with any particular indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Interest Rate Agreement shall be used in such calculation.

“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 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, and to the extent an Interest Rate Agreement has been entered into in connection with any particular indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Interest Rate Agreement shall be used in such calculation.

“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 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 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 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.

“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, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events or (ii) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, 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; 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, Interest Rate Agreements 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 Entrance Fees (whether amortized into income or not), endowment or similar funds deposited by or on behalf of such residents including but not limited to any deferred obligations for the refund or repayment of Entrance Fees, any rent, development, marketing, operating or other fees that have been deferred from the year in which they were originally due as a result of deferral or subordination.

“Independent Counsel” means an attorney or form of attorneys 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.

“Independent Living Units” means independent living units that are or will be Property of a Member.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any Independent Living Unit (including any such fees collected for the purpose of obtaining a parking space) not previously occupied.

“Initial Occupancy Date” means the earliest date a resident has taken physical possession of one of an Independent Living Unit.

“Initial Related Bonds” means any revenue bonds or similar obligations 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 the first [four] Obligations issued pursuant to this Master Indenture.

“Initial Subordinated Indebtedness” shall have the meaning ascribed to such term in Section 4.15(L) hereof.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member or any Related Issuer and which, 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 an Affiliate thereof, appointed by the Obligated Group Agent and not objected to by the Master Trustee, qualified to survey risks and to recommend insurance coverage for nursing home/retirement community facilities and services of the type involved, and having a favorable reputation for skill and experience in such surveys and such recommendations, and which may include a broker or agent with whom any Member transacts business.

“Interest Rate Agreement” means an interest rate exchange, hedge or similar agreement, expressly identified, in an Officer’s Certificate of the Obligated Group Agent delivered to the Master Trustee at the time such agreement is entered into, as being entered into in order to hedge the interest payable on all or a portion of any Permitted Additional Indebtedness, which agreement may include, without limitation, an interest rate swap, a basis swap, a yield curve swap, a currency swap, a rate maintenance agreement, or a forward or futures contract or an option (e.g., a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness hereunder.

“Issuer” means the Town of Huntington Local Development Corporation, a local development corporation existing under the laws of the state of New York, created pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law, and its successors and assigns.

“Land” means the real Property owned or leased by any Member of the Obligated Group upon which the primary operations of the Members are conducted as described in Exhibit A hereto, as amended as provided herein from time to time, together with all buildings, improvements and fixtures located thereon, but excluding therefrom the Excluded Property.

“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.

“Liquidity Covenant” means the Obligated Group’s covenant to maintain the Liquidity Requirement as set forth in Section 4.25 hereof.

“Liquidity Requirement” means no less than 200 Days Cash on Hand.

“Liquidity Support Agreement” means the Liquidity Support Agreement dated as of March __, 2021 by and among Gurwin Jewish Geriatric Foundation, Inc. d/b/a/ Gurwin Jewish Healthcare Foundation, as Liquidity Provider, the initial Obligated Group Member and the Master Trustee, entered into in connection with the issuance of the Initial Related Bonds.

“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.

“Marketing Requirements” shall have the meaning given to such term in the Related Loan Document.

“Master Indenture” means this Master Trust Indenture dated as of March 1, 2021 between the Obligor and the Master Trustee, as it may from time to time be amended or supplemented in accordance with the terms hereof.

“Master Trustee” means U.S. Bank National Association, its successors and assigns, or any successor trustee under the Master Indenture.

“Maximum Annual Debt Service Requirement” means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year.

“Member” or “Member of the Obligated Group” or “Obligated Group Member” means any Person who is listed on Exhibit C hereto (as amended from time to time) after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee at the written direction of the Obligated Group Agent.

“Mortgage” means the Building Loan Mortgage and Security Agreement, from the Obligor, as mortgagor, to the Issuer, as mortgagee, dated as of November 1, as assigned by an Assignment of Building Loan Mortgage and Security Agreement, dated March __, 2021, from the Issuer to the Master Trustee, and the Project Loan Mortgage and Security Agreement, from the Obligor, as mortgagor, to the Issuer, as mortgagee, dated as of November __ 1, as assigned by an Assignment of Project Loan Mortgage and Security Agreement, dated March __, 2021 as the same may be supplemented and amended from time to time.

“Mortgaged Property” means the real property and personal property of the Obligor which is subject to the Lien and security interest of the Mortgage.

“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 Obligated Group or 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 (other than the Land) and the income therefrom, with no recourse, directly or indirectly, to any other Property of any Member.

“Obligated Group” means the Obligor and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in Section 4.04 hereof and which has not ceased such status pursuant to Section 4.05 hereof.

“Obligated Group Agent” means the Obligor or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee, executed by an authorized officer of the Obligor.

“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.

“Obligations” means any Debt Obligation or Hedging Obligation authorized to be issued by a Member pursuant to this Master Indenture and any Supplemental Master Indenture and which has been authenticated by the Master Trustee pursuant to Section 2.04 hereof and any Obligation or Obligations issued in exchange therefor.

“Obligor” means Gurwin Independent Housing, Inc., a duly organized and validly existing New York not-for-profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“Occupancy Requirements” shall have the meaning given to such term in in the Related Loan Document.

“Occupied” means with respect to any Independent Living Unit, any unit for which a Residency Agreement has been executed, and, if an Entrance Fee is payable, the related Entrance Fee has been paid or a promissory note for such Entrance Fee has been executed and the occupant of such Independent Living Unit continues to reside therein.

“Officer’s Certificate” means a certificate signed, in the case of a certificate delivered by a Member of the Obligated Group, by the President, any Vice President, or any other officer authorized to sign by resolution of the Governing Body of such Member of the Obligated Group or in the case of a certificate delivered by any other organization, by the President, Vice President, or any other officer or agent 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.

“Opinion of Bond Counsel” means a written opinion of nationally recognized municipal bond counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service.

“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 canceled after purchase or surrendered for cancellation or because of payment at or redemption prior to maturity, any such Indebtedness in lieu of which other Indebtedness has been duly incurred 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 canceled after purchase 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 an escrow agent, which may be 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 an escrow agent, which may be the Related Bond Trustee, (whether upon or prior to the maturity or redemption date of any such Related Bonds); provided that if such Obligations 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
- (a) Obligations held by a Member.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed Outstanding if such Related Bonds are Outstanding.

“Outstanding Related Bonds” 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 canceled 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 (b)(i) 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.

“Paying Agent” means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of, premium, if any, and interest on any Related Bonds or designated pursuant to the Master Indenture and named in an Obligation to receive and disburse the principal of, premium, if any, and interest on such Obligation.

“Permitted Additional Indebtedness” means Additional Indebtedness permitted by Section 4.15 of this Master Indenture.

“Permitted Encumbrances” means the Master Indenture, the Mortgage, 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 workers’ 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 the Property of any Member permitted under the provisions of Section 4.18 hereof;

- (c) any Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

- (d) Residency Agreements and leases which relate to Property of the Obligated Group which is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, food service facilities, gift shops, commercial, beauty shop, banking, parking for residents, other similar specialty services, pharmacy and similar departments, space for telecommunications equipment, or employee rental apartments; sale/saleback or lease/leaseback or similar arrangements in connection with the issuance of Related Bonds; and any leases, licenses or similar rights to use Property between Members that include fair and reasonable terms no less favorable to any such parties than they would obtain in a comparable arm’s-length transaction;

- (e) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 4.06 hereof;

- (f) utility, telecommunications, 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);

- (g) 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 has been due for less than 90 days, or if such Lien is being contested in accordance with the provisions of the Master Indenture;

- (h) 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;

- (i) zoning laws and similar restrictions which are not violated by the Property affected thereby;
- (j) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;
- (k) 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;
- (l) 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;
- (m) 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;
- (n) Liens on moneys deposited by residents or others with a Member as security for or as prepayment of the cost of resident or patient care or similar services or any rights of residents of life care, nursing home/retirement community or similar facilities to endowment, prepayment or similar funds deposited by or on behalf of such residents;
- (o) Liens on Excluded Property;
- (p) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;
- (q) any security interest in the Rebate Fund, any depreciation reserve, debt service or interest reserve, debt service, construction 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 holder of any related Commitment Indebtedness;
- (r) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member by the provider of liquidity or credit support for such Related Bond or Indebtedness;
- (s) 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 which Lien encumbers Property other than Land, 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;

- (t) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse, provided that the principal amount of Indebtedness secured by any such Lien does not exceed the face amount of such accounts receivable sold;
- (u) 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, as are set forth in **Exhibit E** to this Master Indenture, and which (i) in the case of Property owned by 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;
- (v) any Lien to which the Property of a Member is subject at the time it becomes a Member, provided that at the time of becoming a Member, (i) the principal amount of the debt the Lien secures is not more than 80% of the Current Value of the Property subject to the Lien, (ii) the Obligated Group Agent shall deliver to the Master Trustee an Officer's Certificate that, after giving effect thereto, the aggregate amount of the Indebtedness secured by such Lien and by all other Liens permitted by this clause (v), does not exceed 30% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group, (iii) the requirements of Section 4.04(c) have been met, (iv) no Lien so described may be modified to apply to any Property of any Member not subject to such Lien on the date of such Member's joining the Obligated Group, (v) no Additional Indebtedness may be thereafter incurred which is secured by such Lien and (vi) no Lien so described may be extended or replaced by another Lien;
- (w) Liens on funds or securities posted in a collateral account held by a counterparty to an Interest Rate Agreement, or by a third party custodian therefore,
- (x) Liens securing 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 an Obligated Group Member other than any theretofore unimproved real property on which the Property so constructed or improved is located;
- (y) security interests in the accounts (and proceeds thereof), as defined in Article 9 of the New York Uniform Commercial Code as now or hereafter in effect, of any Member which may be prior to, on a parity with or subordinate to the security interest in those accounts and proceeds created by this Master Indenture, securing Short-Term Indebtedness provided that at the time of the creation of any such security interest the Current Value of such accounts, together with the Current Value of all other Property subject to Liens classified as Permitted Encumbrances under Section 4.18(2) hereof, shall not exceed 15% of the Revenues as reflected in the Financial Statements of the Obligated Group; and

(z) any Lien which secures Non-Recourse Indebtedness that constitute Permitted Additional Indebtedness;

(aa) any Lien arising out of Capitalized Leases that constitute Permitted Additional Indebtedness;

(bb) any Lien in the nature of a purchase money mortgage or lien on fixed assets, fixtures or equipment acquired or constructed and financed thereby if, after giving effect to such Lien, such purchase money mortgage or lien secures an amount not in excess of the cost of the particular asset to which such Lien relates and any related financing charges, where such purchase money mortgage or lien constitutes a Lien on fixed assets acquired or constructed by a Member and granted contemporaneously with such acquisition or construction, and which Lien secures all or a portion of the related purchase price or construction cost of such assets;

(cc) any Lien representing rights of setoff and banker's liens with respect to funds on deposit in a financial institution in the ordinary course of business;

(dd) any of the Liens set forth in **Exhibit E** hereto; provided such Liens are not increased, extended, or modified to apply to additional Property or secure Additional Indebtedness (unless otherwise permitted hereunder); and

(ee) any Lien relating to the pledge or assignment of (i) construction documents for improvements financed with Permitted Additional Indebtedness, or (ii) leases when a Member is the lessee.

"Permitted Investments" means the obligations described below:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself, mortgage pass-through securities, mortgage-backed securities pools, collateralized mortgage obligations and all mortgage derivative securities trusts shall not constitute Permitted Investments);

- (1) Direct obligations of or fully guaranteed certificates of beneficial ownership of the Export Import Bank of the United States,
- (2) Federal Financing Bank,
- (3) Participation certificates of the General Services Administration,
- (4) Guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association, and

(5) Project Notes, Local Housing Authority Bonds, New Communities Debentures and U.S. public housing notes and bonds fully guaranteed by the U.S. Department of Housing and Urban Development.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies, provided such agency is rated "AA+" at the time of purchase by at least one of the Nationally Recognized Statistical Rating Organizations ("NRSROs") (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) Federal Home Loan Bank System senior debt obligations,
- (2) Participation Certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation,
- (3) Mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association, and
- (4) Consolidated system wide bonds and notes of the Farm Credit System Corporation.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating of "AAAm" or equivalent by at least two of the NRSROs.

(e) Certificates of deposit if collateralized by securities described in (a) and/or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks where the collateral is held by a third party and the Master Trustee has a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the FDIC.

(g) Investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are rated, (at the time the investment is entered into) not lower than A3 by Moody's or its equivalent from another NRSRO.

(h) Commercial paper rated "Prime-1" by Moody's and "A-1+" by Standard & Poor's, or equivalent by at least two NRSROs and which matures no more than 270 days from the date of purchase and subject to the following limitations:

- a. Only United States issuers of corporate (issued to provide working capital funding) commercial paper including United States issuers with a foreign parent shall constitute Permitted Investments; and

- b. Limited-purpose trusts, structured investment vehicles, asset-back commercial paper conduits, and any other type of specialty finance company, whose purpose is generally limited to acquiring and funding a defined pool of assets that are used to repay obligations, shall not constitute Permitted Investments.

(i) Bonds or notes issued by any state or municipality which are rated by any two NRSROs in one of the two highest long-term rating categories assigned by such NRSROs (without qualification by symbols “+” or “-” or a numerical notation).

(j) Federal funds or bankers’ acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” by Moody’s and “A-1” by Standard & Poor’s, or equivalent by at least two NRSROs.

(k) Repurchase Agreements.

(l) Forward delivery agreements with providers rated at least “A-” and “A3” by Standard & Poor’s and Moody’s, respectively, or equivalent by at least two NRSROs, provided that (i) permitted deliverables are limited to securities described in (a), (b) and (c) above and (ii) if the provider is downgraded below “A-” or “A3”, or equivalent by an NRSRO, the agreement shall terminate at par plus accrued interest.

(m) Any state administered pool investment fund in which any Related Issuer is statutorily permitted or required to invest, rated “AAA” or equivalent by one of the NRSROs.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, 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 projected yield at par of an obligation as set forth in the report of a Consultant. Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of no fewer than three obligations 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, then obligations the interest on which is subject to federal income taxation) which obligations such Consultant states in its report are reasonable comparators for utilizing 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 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, other than Excluded Property.

“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 (a) 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 (b) 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 (a) 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 (b) 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, other than by reason of an event of taxability with respect to any Related Bond or other than by reason of acceleration upon the occurrence of an event of default.

“Qualified Financial Institution” means a financial institution that is a domestic corporation, a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a foreign bank acting through a domestic branch or agency which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; provided that for each such entity its unsecured or uncollateralized long term debt obligations, or obligations secured or supported by a letter of credit, contract, guarantee, agreement or surety bond issued by any such organization, directly or by virtue of a guarantee of a corporate parent thereof, have been assigned a long-term credit rating by any two national ratings services which is not lower than the two highest ratings (with respect to a foreign bank, the highest rating category) then assigned (i.e., at the time an investment agreement or Repurchase Agreement is entered into) by such rating service without qualification by symbols “+” or “-” or a numerical notation.

“Rating Agency” means Moody’s, Standard & Poor’s or Fitch, and their respective successors and assigns.

“Rebate Fund” means any Rebate Fund created by a Related Bond Indenture.

“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 any trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, any Related Issuer.

“Related Bonds” means any revenue bonds or similar obligations 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.

“Related Issuer” means any issuer of a series of Related Bonds.

“Related Loan Document” means any document or documents (including without limitation any loan agreement, 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, subleased or sold to a Member).

“Related Tax Agreement” means any Tax Compliance agreement or similar instrument entered into in connection with the issuance of a series of Related Bonds.

“Repurchase Agreement” means a written repurchase agreement entered into with a Qualified Financial Institution, a bank acting as a securities dealer or a securities dealer which is listed by the Federal Reserve Bank of New York as a “Primary Dealer” and rated “AA” or “Aa2” or better by at least two Nationally Recognized Statistical Rating Organizations (“NRSROs”) (a “Primary Dealer”), under which securities are transferred from a dealer bank or securities firm for cash with an agreement that the dealer bank or securities firm will repay the cash plus a yield in exchange for the securities on a specified date and under which (i) the Master Trustee is the real party in interest and has the right to proceed against the obligor on the underlying obligations which must be obligations of, or guaranteed by, the United States of America; (ii) the term of which shall not exceed one hundred eighty (180) days; (iii) the collateral must be delivered to the Master Trustee (if the Master Trustee is not supplying the collateral) or a third party acting as agent for the Master Trustee (if the Master Trustee is supplying the collateral) prior to or simultaneous with investment of moneys therein; (iv) such collateral is held free and clear of any lien by the Master Trustee or an independent third party acting solely as agent for the Master Trustee; and (v) the collateral shall be valued weekly, marked to market at current market prices plus accrued interest; provided that at all times the value of the collateral must at least equal the required percentage of the amount invested in the Repurchase Agreement. If the value of such collateral is less than the amount specified, the Qualified Financial Institution or Primary Dealer must invest additional cash or securities such that the collateral value of the amount invested thereafter at least equals as follows: (a) if collateralized by securities described in clause (a) or (b) of the definition of Permitted Investments, at least 104%, or (b) if collateralized by securities described in clause (c) of the definition of Permitted Investments, at least 105%.

“Required Information Recipients” means the Master Trustee, each Related Bond Trustee, and any Related Issuer.

“Reserved Units” means Independent Living Units reserved with a signed Residency Agreement and either a 5% Initial Entrance Fee deposit with respect to certain Independent Living units made during 2018 or a 10% Initial Entrance Fee deposit with respect to all other Independent Living Units; including Occupied Independent Living Units.

“Residency Agreement” means any written agreement or contract, as amended from time to time, between a Member and a resident or potential resident of a Facility giving the resident certain rights of occupancy in the Facility, including without limitation, Independent Living Units, assisted living units, memory support units, skilled nursing beds or specialty care beds and providing for certain services to such resident including any reservation agreement or other agreement or contract reserving rights of occupancy.

“Revenues” means, for any period, (a) in the case of any Person providing nursing home/retirement community services, the sum of (i) resident service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale or other disposition of assets not in the ordinary course of business or any gain from the extinguishment of debt or other extraordinary item or earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees (other than Initial Entrance Fees but only until an applicable Initial Rental Fee Fund is closed due to the repayment of the second and third Series of the Initial Related Bonds or the repayment of a series of Related Bonds that requires the closure of an applicable Initial Rental Fee Fund) received minus (A) Entrance Fees amortized during such Fiscal Year and (B) Entrance Fees refunded to residents; 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 either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative instruments, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to entrance fees or (v) insurance (other than business interruption) and condemnation proceeds; 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. For purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation. For purposes of any calculation hereunder that is made with reference to both Revenues and Expenses, any deduction from gross resident service revenues otherwise required by this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses.

“Rule 15c2-12” means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 as amended.

“Short-Term,” when used in connection with Indebtedness, means having an original maturity less than or equal to one year.

“Stable Occupancy” means with respect to any facility financed with Indebtedness for which the Master Trustee was furnished a Consultant’s report pursuant to this Master Indenture (or, if no Consultant’s report was required by this Master Indenture, an Officer’s Certificate), the percentage of Occupied units in that facility at the level reflected as substantially at the sustainable capacity for which such facility was designed or “stabilized occupancy” for that facility in the Consultant’s report or the Officer’s Certificate.

“Stabilization” means the date on which both (i) the percentage occupancy of the Independent Living Units is equal to or greater than 85%, and (ii) the redemption in full of all of the Initial Related Bonds subject to redemption from Entrance Fees in accordance with the applicable Related Bond Indenture.

“Standard & Poor’s” or “S&P” means Standard & Poor’s Ratings Services, 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, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” or “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee, at the direction of the Obligated Group Agent.

“Subordinated Indebtedness” means (i) Affiliate Related Subordinated Indebtedness and (ii) 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 taxes under Section 501(a) of the Code and 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. “Tax-Exempt Organization” shall include a limited liability company which has as its sole member a Tax-Exempt Organization, as it derives its tax status for federal income tax purposes from its sole member.

“Testing Date” means, (i) with respect to the Historical Debt Service Coverage Ratio, the last day of each fiscal quarter of each Fiscal Year, beginning with the earlier of (x) the first full fiscal quarter after Stabilization, or (y) the fiscal quarter ending June 30, 2025, and (ii) with respect to the Liquidity Requirement set forth in Section 4.24, the last day of the second fiscal quarter and the last day of each fiscal year commencing upon the earlier of the first such date after (x) Stabilization, or (y) the fiscal quarter ending December 31, 2026, and thereafter the last day in each year of the second fiscal quarter and the last day of each fiscal year.

“Trust Estate” shall have the meaning set forth in the Granting Clauses hereof.

“Unrestricted Contributions” means Contributions, including any payment received from an Affiliate of an Obligated Group Member, 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.

“Written Request” means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice Chairman, Chief Executive Officer, Executive Director, General Counsel, any Managing Director, any Assistant Director, or any other duly authorized officer of the Related Issuer and with reference to any Member means a request in writing signed by the President, Vice President or any other officers designated by such Member, as the case may be.

Words of the neuter gender shall be deemed and construed to include correlative words of the feminine and masculine genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. Each reference to generally accepted accounting principles and all accounting terms not otherwise defined herein shall, respectively, be deemed to refer to or shall have the meanings assigned to them in accordance with, generally accepted accounting principles in the United States of America. 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.

If any Debt Obligations are issued hereunder to secure Related Bonds, which Related Bonds are valued, in accordance with the provisions of a Related Bond Indenture, at other than their principal amount for purposes of the provisions of such Related Bond Indenture relating to redemption, acceleration, defeasance, computation of Related Bonds Outstanding, application of moneys in payment of the Related Bonds and actions by holders of such Related Bonds, then, for purposes of this Master Indenture, references in this Master Indenture to the principal amount of the Debt Obligations issued to evidence or secure such Related Bonds contained herein shall be deemed to refer to an amount equal, at any time of calculation, to the valuation of such Related Bonds, at such time of calculation, as set forth in such Related Bond Indenture.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated herein. If any change in accounting principles from those used in the preparation of the financial statements of the Obligated Group as of December 31, 20[19] results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, American Institute of Certified Public Accountants or other authoritative bodies that determine generally accepted accounting principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in this Master Indenture, the accounting terms used herein shall be modified to reflect such change in accounting principles so that the criteria for evaluating the financial condition of the Obligated Group shall be the same after such change as if such change had not been made. Any such modification shall be described in an Officer’s Certificate filed with the Master Trustee, which shall contain a certification to the effect that (i) such modifications are occasioned by such a change in accounting principles and (ii) such modifications will result in substantially the same criteria for evaluating the financial condition of the Obligated Group.

ARTICLE II

THE OBLIGATIONS

Section 2.01 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 are not limited except 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 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.

Section 2.02 Payment of Obligations. The principal of, premium, if any, and interest or other payments 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 New York, New York or at the office of any alternate Paying Agent or agents named in any such Obligations or in a Related Bond Indenture or to the registered owner of such Obligation as may be provided in such Obligation. Unless contrary provision is made herein or in the Supplemental Master Indenture pursuant to which an 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 or by wire transfer; provided, however, that any Supplemental Master Indenture creating any Obligation may provide that interest on such Obligation may be paid, upon the request of the holder of such Obligation, by wire transfer or by such other means as are then commercially reasonable and acceptable to the holder and the Obligated Group Agent. The foregoing notwithstanding, a Member may elect to make payments on an Obligation directly 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 or by such other means as are then commercially reasonable and acceptable to the holder and the Obligated Group Agent, 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 to or upon the order of the holder thereof, or as otherwise provided in any Supplemental Master Indenture, 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, nor shall the Master Trustee be responsible for monitoring the ratings for changes. 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 Obligations.

Section 2.03 Execution. Obligations shall be executed on behalf of a Member by the manual or, if permitted by law, facsimile signature of its President, Vice President or any other officer designated by such Member. 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 2.04 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.

U.S. BANK NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Officer

Section 2.05 Form of Obligations and Temporary Obligations. All Obligations issued under this Master Indenture shall be substantially in the form set forth in the Supplemental Master Indenture pursuant to which such 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 designated 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 2.06 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 2.07 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 2.06 hereof shall be canceled 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 canceled by any Paying Agent other than the Master Trustee shall be promptly transmitted by such Paying Agent to the Master Trustee. Certification of Obligations canceled by the Master Trustee and Obligations canceled by a Paying Agent other than the Master Trustee which are transmitted to the Master Trustee shall be made to the Obligated Group Agent upon the request of the Obligated Group Agent. Canceled 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 2.08 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 nursing home/retirement community Facilities of the Obligated Group, or security interests in 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 2.09 Issuance of Obligations for Indebtedness in Forms Other Than Notes; Hedging Obligations. (a) To the extent that any Indebtedness which is permitted or required to be issued pursuant to this Master Indenture is not evidenced by 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, 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.

(b) Any Hedging Obligation shall be equally and ratably secured by any Lien created hereunder with all other Obligations issued hereunder except as otherwise expressly provided herein; provided, however, that any such Hedging Obligation shall be deemed to be Outstanding hereunder solely for the purpose of receiving payment hereunder and shall not be entitled to exercise any rights hereunder, including but not limited to any rights to direct the exercise of remedies, to vote or to grant consents.

Section 2.10 Appointment of Obligated Group Agent. Each Member, by becoming a Member of the Obligated Group, irrevocably appoints the Obligor as its Obligated Group Agent and true and lawful attorney in fact, and grants to such Obligated Group Agent (a) full and exclusive power to execute and deliver such consents, certifications, instruments and other documents as may be required hereby, including the full and exclusive power to execute and deliver on behalf of the Obligated Group and each Member thereof all Obligations and Supplemental Master Indentures; and (b) full power to take all actions, prepare, authorize and execute all documents and instruments reasonably and ordinarily necessary or by the Obligated Group Agent deemed desirable in connection with the issuance of any Obligations.

ARTICLE III

PREPAYMENT OR REDEMPTION OF OBLIGATIONS

Section 3.01 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 at the times and upon the terms 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 applicable Obligations are callable for redemption prior to maturity 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 such Facilities or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith exceeds the greater of (i) 5% of the Book Value, or at the option of the Obligated Group Agent, the Current Value, of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021 but only to the extent provided in Sections 4.10, 4.11 and 4.12 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 date fixed for redemption and without premium.

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.

Section 3.02 Notice of Prepayment or Redemption. Except as permitted by Section 3.01 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 either email or by first class mail, postage prepaid 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. Any notice of prepayment or redemption may include provisions stating that such prepayment or redemption is conditional and that the prepayment or redemption of such Obligations is subject to there being on deposit on the prepayment or redemption date funds sufficient to pay the redemption price of such Obligations. The 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.

Section 3.03 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, or attached to, such Obligation:

PAYMENTS ON ACCOUNT OF PRINCIPAL

Prepayment or <u>Redemption Date</u>	Amount of Principal Prepaid or <u>Redeemed</u>	Principal Outstanding after Prepayment or <u>Redemption</u>	<u>Signature</u>
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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 3.04 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 4.01 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 4.05 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 4.05 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.

Section 4.02 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.

Section 4.03 Representations and Warranties by the Members. Each Member of the Obligated Group makes the following representations and warranties as the basis for its covenants herein:

(a) It is a nonprofit corporation duly incorporated under the laws of the State of New York, is validly existing and duly authorized to conduct its business and affairs in New York, is duly authorized and has full power under the laws of New York and all other applicable provisions of law and its articles of incorporation and by-laws to create, issue, enter into, execute and deliver or approve, to the extent it is a party thereto as applicable, this Master Indenture and

the Mortgage and all action on its part necessary for the valid execution and delivery of this Master Indenture and the Mortgage.

(b) The execution and delivery of any Obligation, the Mortgage 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 insurable title to all of its Property constituting real property other than that which it leases in which case it has a valid leasehold estate in the real property demised by each such lease and good and insurable 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 in the aggregate 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, in any material respect, 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 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 currently required to acquire its Property and to construct its Facilities, except for such licenses or permits which are not required at this time. It will obtain all necessary licenses and permits required to construct, occupy and operate its Facilities in a timely manner.

(d) It is a Tax-Exempt Organization; it has received a determination letter from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization which letter is still in full force and effect; and it does not have any "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, to the extent applicable, 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. No "employee pension benefit plans," as defined in ERISA (herein sometimes referred to as "Plans"), maintained by it, if any, 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, if any, did not exceed, as of the last annual valuation date the value of the assets of the Plans allocable to such vested benefits.

(f) It has full power and lawful authority to enter into and maintain a security agreement under the Uniform Commercial Code of each state in which it operates and grant a security interest to the Master Trustee in the Trust Estate, and will preserve, warrant and defend the same unto the Master Trustee against the claims of all persons and parties.

Section 4.04 Entrance into the Obligated Group. As of the date of execution of this Master Indenture, the Obligor is the only Member of the Obligated Group. Any other Person may become a Member of the Obligated Group if:

(a) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture not objected to by the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Agent, 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 4.05 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 4.03 other than those contained in Section 4.03(d) if such Person is not a Tax-Exempt Organization (but with such deviations as are not objected to by the Master Trustee);

(b) The Obligated Group Agent, by appropriate action of its Governing Body, shall have approved the admission of such Person to the Obligated Group, and each of the other Members shall have taken such action, if any, required to approve the admission of such Person to the Obligated Group;

(c) The Master Trustee shall have received (1) an Officer's Certificate of the Obligated Group Agent which (A) demonstrates that (i) immediately upon such Person becoming a Member of the Obligated Group, the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, is greater than the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without such Person becoming a Member of the Obligated Group, and (ii) immediately upon such Person becoming a Member of the Obligated Group, taking the Person becoming a Member into account, the Obligated Group would be in compliance with the Liquidity Requirement of Section 4.25 of this Master Indenture based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.14 hereof; and (B) states that immediately after such Person becoming a Member of the Obligated Group, 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 as a result of the addition of such Member; (2) an opinion of Independent Counsel to the effect that (x) the Supplemental Master Indenture described in paragraph (a) 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 other customary enforceability exceptions to opinions, 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; (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 Bond Counsel to the effect that under then existing law the addition of such Person to the Obligated Group, 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 or state income taxation of interest payable on such Bond otherwise entitled to such exemption; provided that in making the calculation called for by this subsection, (i) there shall be excluded from Revenues (a) any Revenues generated by Property of such new Member transferred or otherwise disposed of by such new Member since the beginning of the Fiscal Year during which such new Member's entry into the Obligated Group occurs and (b) any Revenues generated by Property of the new Member which at the time of such new Member's entry into the Obligated Group will be categorized as Excluded Property and (ii) there shall be excluded from Expenses (a) any Expenses related to Property of such new Member transferred or otherwise disposed of by such new Member since the beginning of the Fiscal Year during which such new Member's entry into the Obligated Group occurs and (b) any Expenses related to Property of the new Member which at the time of such new Member's entry into the Obligated Group will be categorized as Excluded Property; and (4) if any Related Bonds were rated by a Rating Agency prior to the Person becoming a Member of the Obligated Group, evidence from such Rating Agency, satisfactory to the Master Trustee, that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such Person becoming a Member;

(d) (i) Exhibit A to this Master Indenture is amended to include a description of the real property of the Person becoming a Member upon which the primary operations of such Person are conducted, (ii) Exhibit B is amended to include a description of the Property of the Person becoming a Member which is to be considered Excluded Property (provided that such Property may be treated as Excluded Property only if such Property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property), (iii) Exhibit C is amended to add such Person as a Member, and (iv) Exhibit E to this Master Indenture is amended to include a description of any Permitted Encumbrances of the Person becoming a Member; and

(e) 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 4.05 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 or will not be a party to any Related Loan Documents with respect to Related Bonds which remain Outstanding;

(b) prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Bond Counsel 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) prior to the cessation of such status, there is delivered to the Master Trustee an Officer's Certificate of the Obligated Group Agent to the effect that: (A) (i) immediately after such cessation the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account, for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account, is greater than the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation, and (ii) immediately after such cessation, taking such cessation into account, the Obligated Group would be in compliance with the Liquidity Requirement of Section 4.25 of this Master Indenture based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.14 hereof; and (B) 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 as a result of the addition of such Member;

(d) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel 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;

(e) if any Related Bonds were rated by a Rating Agency prior to the Person withdrawing from the Obligated Group, evidence from such Rating Agency that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such Person withdrawing from the Obligated Group; and

(f) prior to cessation of such status, the Obligated Group Agent consents in writing to the withdrawal by such Member.

Upon such cessation in accordance with the foregoing provisions, (i) Exhibit A hereto shall be amended to delete therefrom the description of any real property of the Member which has ceased being a Member of the Obligated Group and of any Permitted Encumbrances related to such real property, (ii) Exhibit B shall be amended to delete therefrom any Property of the Member which has ceased being a Member, (iii) Exhibit C shall be amended to delete therefrom the name of such Person and (iv) the Master Trustee shall be authorized to release any Lien or mortgage held by the Master Trustee upon the Property of such Member which has ceased being a Member of the Obligated Group.

Notwithstanding anything to the contrary herein, the Obligor shall not withdraw from the Obligated Group at any time.

Section 4.06 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 herein (i) preserve its corporate or other separate legal existence, (ii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs as then conducted and (iii) 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 Tax-Exempt Organization, maintain its status as a Tax-Exempt Organization throughout the term of this Master Indenture unless (1) the Governing Body determines that such status is not necessary or useful, and (2) prior to the cessation of such status there is delivered to the Master Trustee (x) an Opinion of Bond Counsel to the effect that such change in status will not have an adverse effect on the exemption of interest on any Related Bond from federal income taxation to which such Bond is otherwise entitled or the validity or enforceability of any Related Bond, and (y) an opinion of Independent Counsel to the effect that registration of the Obligations under the Securities Act of 1933, as amended, is not required or that such Obligations have been so registered.

(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 (ordinary wear and tear excluded), 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 (if applicable), 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, or to the use or manner of use, occupancy or condition of any of its Property or any part thereof if the failure to so comply would have a material adverse effect on the operations or financial affairs of the Obligated Group.

(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 5.02(d) hereof.

(h) At all times comply with all material 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 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 nursing home/retirement community services eligible for payment under those third-party payment programs which its Governing Body determines are appropriate.

(j) In the case of the Obligor and each 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) comply with all applicable non-discrimination policies.

(l) In the case of the Obligor 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 nonprofit 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 Bond Counsel 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 4.15(A) for the incurrence of one dollar of additional Funded Indebtedness.

For the purposes of this Section 4.06 (other than subparagraph (e) hereof), the terms Property and Facilities shall be deemed to include Excluded Property.

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 4.06, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than Indebtedness evidenced by 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 4.06, 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 and payments under such settlement agreement are deemed to be due and payable. 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 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 4.07 Insurance. Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations, and each such insurance policy shall list the Master Trustee as an additional insured and loss payee. For purposes of this Section 4.07, the term Property shall be deemed to include Excluded Property. The Obligated Group Agent shall annually review the insurance each Member maintains to determine whether such insurance is customary and adequate. In addition, the Obligated Group Agent shall (commencing with its Fiscal Year ending December 31, 2020 and every other Fiscal Year thereafter) cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master trustee and any Related Bond Trustee within 150 days of the end of each such Fiscal Year which certificate indicates that the insurance then being maintained by the Members is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect the Obligated Group's Property and operations. The Obligated Group Agent shall cause copies of the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances; provided, however, that no Member of the Obligated Group shall self-insure any of its Property, Plant and Equipment. Notwithstanding the above, the Obligated Group shall maintain insurance as set forth in any Related Loan Document.

The Master Trustee makes no representations as to and shall have no responsibility for the sufficiency of the insurance.

Section 4.08 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 4.06 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 provided it gives prior written notice to the Obligor. 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 4.08, subject to the permission of a court of competent jurisdiction, if required by law.

Section 4.09 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, including obtaining payment for services provided, 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 the, following the Stabilization, Obligated Group Agent will calculate the Historical Debt Service Coverage Ratio of the Obligated Group as of each Testing Date, and will deliver a copy of such calculation to the Required Information Recipients in connection with the delivery of the financial statements required by Section 4.14(b)(i) and (iii) hereof. For the purposes of this Section 4.09, when calculating the Historical Debt Service Coverage Ratio of the Obligated Group, principal and interest payable on any Affiliate Related Subordinated Indebtedness shall be excluded from Debt Service Requirements.

Notwithstanding any other provisions of this Master Indenture, in the event that any Member of the Obligated Group incurs any Additional Indebtedness for any acquisition, construction, renovation or replacement project pursuant to any other provision of this Master Indenture, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the project or projects financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with this Section 4.09, until the first full Fiscal Year following the later of (i) the estimated completion of the acquisition, construction, renovation or replacement project being paid for with the proceeds of such Additional Indebtedness, provided that such completion occurs no later than six months following the completion date for such project set forth in the Consultant's report described in (A) below, or (ii) the first full Fiscal Year in which Stable Occupancy is achieved in the case of acquisition, construction, renovation or replacement of any nursing home/retirement community facilities financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected in the report of the Consultant referred to in paragraph (A) below to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fourth full Fiscal Year after the incurrence of such Additional Indebtedness, if the following conditions are met:

- (A) there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II) the first full Fiscal Year following the year in which Stable Occupancy is achieved in the case of acquisition, construction, renovation or replacement of any nursing home/retirement community facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, or (III) the end of the fourth full Fiscal

Year after the incurrence of such Additional Indebtedness, will be not less than 1.20:1 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided, however, that in the event that a Consultant shall deliver a report to the Master Trustee to the effect that state or Federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio shall be reduced to the highest practicable ratio then permitted by such laws or regulations but in no event less than 1.00:1; provided, however, that in the event a Consultant's report is not required to incur such Additional Indebtedness, the Obligated Group may deliver an Officer's Certificate to the Master Trustee in lieu of the Consultant's report described in this subparagraph (A); and

- (B) there is delivered to the Master Trustee an Officer's Certificate on the date on which financial statements are required to be delivered to the Master Trustee pursuant to Section 4.14 hereof until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year, and demonstrating that such Historical Debt Service Coverage Ratio is not less than 1.00:1, such Historical Debt Service Coverage Ratio to be computed without taking into account (I) the Additional Indebtedness to be incurred if (x) the interest on such Additional Indebtedness during such period is funded from proceeds thereof or other funds of the Member then on hand and available therefor and (y) no principal of such Additional Indebtedness is payable during such period, and (II) the Revenues to be derived from the project to be financed from the proceeds of such Additional Indebtedness.

Section 4.10 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 the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021. 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 relating to such damage or destruction, which exceeds the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as hereinafter provided. If there is no event of default hereunder and such Net Proceeds do not exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000, plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021, such Net Proceeds may be paid directly

to the Member suffering such casualty or loss. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed facilities, (ii) acquire or construct additional capital assets for any one or more Members, or (iii) prepay Obligations or repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

If there is no event of default hereunder and such Net Proceeds exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021, 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 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 (solely as to the sufficiency of the expenditures requested by the Member to complete such replacement, repair, reconstruction, restoration, improvement or acquisition) by an Independent Architect.

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 4.06 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 in writing to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of Section 3.01 hereof.

(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 4.10 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section 4.10.

If an event of default exists hereunder, all Net Proceeds shall be paid to the Master Trustee and applied to the prepayment of Obligations in accordance with the provisions of Section 3.01 hereof.

The foregoing notwithstanding, no Member will be required to comply with this Section 4.10 to the extent that the Facilities damaged or destroyed were pledged as security for Non-Recourse Indebtedness incurred in accordance with Section 4.15(J) hereof or Indebtedness secured by Liens imposed in accordance with paragraph (z) of the definition of Permitted Encumbrances and the documents pursuant to which such Indebtedness was incurred require Net Proceeds to be applied in a manner inconsistent with this Section 4.10.

Section 4.11 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 the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as hereinafter provided. If there is no event of default hereunder and such Net Proceeds do not exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24

months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, (ii) acquire or construct additional capital assets, or (iii) prepay Obligations or repay the principal portion of Indebtedness incurred by one or more Members of the Obligated Group to acquire or construct capital assets or to refinance Indebtedness incurred for such purpose.

If there is no event of default hereunder and such Net Proceeds exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2021, 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 (solely as to the sufficiency of the expenditures requested by the Member to complete such replacement, repair, reconstruction, restoration, improvement or acquisition) by an Independent Architect.

(b) Option B - Prepayment of Obligations. Subject to the obligation of such Member under Section 4.06 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 in writing to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of Section 3.01 hereof.

(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 4.11 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section 4.11.

(d) If an event of default exists hereunder, all Net Proceeds shall be paid to the Master Trustee and applied to the prepayment of Obligations in accordance with the provisions of Section 3.01 hereof.

The foregoing notwithstanding, no Member will be required to comply with this Section 4.11 to the extent that the Facilities damaged or destroyed were pledged as security for Non-Recourse Indebtedness incurred in accordance with Section 4.15(J) hereof or Indebtedness secured by Liens imposed in accordance with paragraph (z) of the definition of Permitted Encumbrances and the documents pursuant to which such Indebtedness was incurred require Net Proceeds to be applied in a manner inconsistent with this Section 4.11.

Section 4.12 Other Provisions with Respect to Net Proceeds. Amounts received by the Master Trustee in respect of Net Proceeds 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 as directed in writing by the Obligated Group Agent in Permitted Investments subject to any Member's right to receive the same pursuant to Sections 4.10 and 4.11 hereof. If any Member elects to proceed under either Section 4.10(a) or (c) or 4.11(a) or (c), any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations in accordance with the provisions of Section 3.01 hereof. Notwithstanding anything herein to the contrary, any moneys on deposit with the Master Trustee shall be invested in accordance with, and subject to the terms of, any Related Bond Indenture or any Related Tax Compliance Agreement, to the extent applicable.

Section 4.13 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 Person (other than a natural person) 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 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 and the Mortgage 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) If any Related Bonds were rated by a Rating Agency prior to such merger or consolidation, or such sale or conveyance, evidence from such Rating Agency that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such merger or consolidation, or such sale or conveyance;

(iv) 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 (A) immediately after such merger or consolidation, sale or conveyance, either (x) the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or (y) the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available was greater than 1.00:1 and the Days Cash on Hand for such Fiscal Year was equal to at least 200, and (B) immediately after such merger or consolidation, sale or conveyance, the Obligated Group Agent shall deliver an Officer's Certificate stating that the Obligated Group is in compliance with the following requirements that the Days Cash on Hand of the Obligated Group as set forth on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.14 hereof would be not less than the Liquidity Requirement of the Obligated Group as set forth in Section 4.25 hereof; and

(v) 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 Bond Counsel to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance 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) Reserved.

(c) 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. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in Section 4.04 hereof to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. 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.

(d) 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.

(e) 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 4.13 and that it is proper for the Master Trustee under the provisions of Article VII and of this Section 4.13 to join in the execution of any instrument required to be executed and delivered by this Section 4.13.

Section 4.14 Financial Statements and Related Matters. (a) 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 principles of accounting consistently applied except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (b) below. To the extent that generally accepted accounting principles in the United States of America 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, or as may otherwise be determined by the Obligated Group Agent, 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 4.14 so long as: (i) 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; (ii) 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 (iii) 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.

(b) The Obligated Group Agent will furnish or cause to be furnished to (i) the Required Information Recipients, and (ii) so long as any Member has a continuing disclosure obligation under Rule 15c2-12 of the Securities and Exchange Commission, EMMA, or any similar system that is acceptable to the Securities and Exchange Commission (provided, however that such obligation is additional to and non-substitutable with any such Member's independent continuing disclosure obligation under Rule 15c2-12 of the Securities and Exchange Commission):

(i) The following information as soon as practicable after it is available but in no event more than 45 days after the end of each month:

(A) Commencing after the issuance and delivery of the Initial Related Bonds until Stabilization, a marketing report, showing (1) the number of Reserved Units at the beginning and at the end of the month, (2) the number of Residency Agreements terminated during the month specifying the reason for each termination and (3) if the month end for such report is also a fiscal quarter end, whether any Member is in

compliance with applicable marketing requirements for such quarter under any Related Loan Document (including without limitation, the Marketing Requirements set forth in Section 8.14 (iii) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds;

(B) Commencing after the issuance of the Initial Related Bonds until [construction completion], a construction status report evaluating construction progress prepared by a Construction Monitor, who shall monitor construction progress and the construction budget on a monthly basis and conduct site visits, meet with the construction manager, architect and the Development Consultant;

(C) Commencing after the issuance of the Initial Related Bonds until [construction completion] a report on the progress of the related construction showing the dollar amount and percentage of completion of each stage of construction, comparing such amounts to the amounts estimated in the schedule of values and construction progress schedule delivered at closing, estimating the amount of funds required to complete the Facility financed or refinanced with the proceeds of the Initial Related Bonds, and certifying that the amount available in the Construction Fund established for the Initial Related Bonds will be sufficient to pay the costs of completing the Facility financed or refinanced with the proceeds of the Initial Related Bonds;

(D) Commencing after the issuance of the Initial Related Bonds until [construction completion] a report on the development costs of the Facility financed or refinanced with the proceeds of the Initial Related Bonds incurred during that month and on an aggregate basis;

(E) Commencing after Initial Occupancy until Stabilization, an occupancy report, showing (1) the number of Independent Living Units Occupied at the beginning and at the end of the month, (2) the number of Independent Living Units vacated during the month, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units as a percentage of capacity, and (4) if the month end for such report is also a fiscal quarter end, whether each Member is in compliance with applicable Occupancy Requirements for such quarter under any Related Loan Document (including without limitation, the Occupancy Requirements set forth in Section 8.14 (iv) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds; and

(F) Commencing after Initial Occupancy until Stabilization, unaudited financial statements of the Obligated Group including (i) a balance sheet (showing the balances on deposit in each fund held under

any Related Bond Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations.

(ii) The following information as soon as practicable after it is available but in no event more than 60 days after the completion of such fiscal quarter commencing with the fiscal quarter immediately following Stabilization:

(A) quarterly unaudited financial statements of the Obligated Group (including unaudited financial statements with respect to the fourth quarter of each fiscal year), including (i) a balance sheet (showing the balances on deposit in each fund held under the Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) a calculation of compliance with the Debt Service Coverage Ratio Covenant and, semi-annually, the Liquidity Covenant, and (iv) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations;

(B) a marketing report, showing (1) the number of Reserved Units at the beginning and at the end of the fiscal quarter, (2) the number of Residency Agreements terminated during the fiscal quarter specifying the reason for each termination and (3) whether any Member is in compliance with applicable marketing requirements for such quarter under any Related Loan Document (including without limitation, the Marketing Requirements set forth in Section 8.14 (iii) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds; and

(C) an occupancy report, showing (1) the number of Independent Living Units Occupied at the beginning and at the end of the fiscal quarter, (2) the number of Independent Living Units vacated during the fiscal quarter, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units as a percentage of capacity, and (4) whether each Member is in compliance with applicable occupancy requirements for such quarter under any Related Loan Document (including without limitation, the Occupancy Requirements set forth in Section 8.14 (iv) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds.

(iii) Reserved.

(iv) Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ending December 31, 2020 a copy of the consolidated annual financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles and audited by a certified public accountant, including a statement of the balances on deposit in each fund and account established under any Related Bond Indenture, and together with (1) a calculation of compliance by each Member with applicable covenants hereunder or under any Related Loan Document (including without limitation, the Cumulative Cash Loss Covenant the Debt Service Coverage Ratio Covenant and the Liquidity Covenant), so long as each such covenant is in effect for such Fiscal Year, and (2) a letter from such accountant to the effect that in the course of such audit nothing came to its attention to lead it to believe that any default had occurred under this Master Indenture, or specifying the nature of such default;

(v) At any time during the Fiscal Year,

(A) Copies of any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, promptly upon receipt.

(B) To the extent the Obligated Group incurs, in the aggregate, more than \$500,000 in Additional Indebtedness of a form for which there is not a CUSIP number (the "non-Public Debt") the Obligated Group Agent will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregated debt service of the Obligated Group. To the extent that the non-Public Debt is used to construct additional units at the Facilities, the Obligated Group Agent will provide monthly reports similar to those prepared by any construction consultants for such project.

(C) Any material changes to initial Obligated Group Member's Medicare and Medicaid Services rating promptly upon notification of the Obligated Group Agent of such rating change.

(D) A copy of initial Obligated Group Member's annual operating and capital budgets, within 30 days after commencement of each Fiscal Year.

(E) Within thirty (30) days of any revision of the schedule of Entrance Fees or Monthly Fees being charged or quoted to residents or

prospective residents of the Facility financed or refinanced with the proceeds of the Initial Related Bonds, a report on the amounts of such revised Entrance Fees or Monthly Fees for each type of unit setting forth the reasons for such revision.

(F) A copy of any actuarial report prepared for the initial Obligated Group Member with respect to its future service obligation.

(c) The Obligated Group Agent will furnish or cause to be furnished to the Required Information Recipients, on or before the date of delivery of the financial reports referred to in subsection (b)(ii) and (b)(iv) above, an Officer's Certificate of the Obligated Group Agent (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Indenture or if not, specify all such defaults and the nature thereof, (B) calculating and certifying cumulative cash loss, following Initial Occupancy until Stabilization required under any Related Loan Document (including without limitation, the Cumulative Cash Loss Covenant set forth in Section 8.14 (ii) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds); calculating and certifying Days Cash on Hand and Historical Debt Service Coverage Ratio after Stabilization; calculating the percentage of Independent Living Units that are Reserved Units; and calculating and certifying the percentage of Independent Living Units that are Occupied, and (C) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, with a management's discussion and analysis of results or such other discussion or analysis provided by such third parties hired by the Obligated Group Agent, which management's discussion shall include information regarding occupancy and payer mix for each level of service provided by each Obligated Group Member in its facilities.

(d) The Obligated Group Agent shall furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee, 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, resident, donor and personnel records or any other confidential information) of the Members shall, to the extent permitted by law, at all reasonable times during regular business hours and upon reasonable notice 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 by the Master Trustee or such Related Bond Trustee.

(e) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Agent will file with each Required Information Recipient a copy of each Consultant's report or counsel's opinion required to be prepared under the terms of this Master Indenture.

(f) The Obligated Group Agent shall give prompt written notice of a change of accountants by the Obligated Group to the Master Trustee and each 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 Bond Trustee or the Master Trustee may reasonably request.

(g) Without limiting the foregoing, each Member will permit, upon reasonable notice, the Master Trustee 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 locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(h) The Obligated Group Agent may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by a firm of independent certified public accountants selected by the Obligated Group Agent covering the operations of the Obligated Group for such Interim Period and containing a combined balance sheet as of the end of such Interim Period and a combined statement of changes in fund balances and changes in financial position for such Interim Period and a combined statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate written statement of the accountants preparing such report containing a calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the Interim Period 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).

(i) Notwithstanding anything herein to the contrary, the Master Trustee shall be under no obligation to review the financial statements received under this Article IV for content and shall not be deemed to have knowledge of the contents thereof.

Section 4.15 Permitted Additional Indebtedness. Subject to the last paragraph of this Section 4.15, so long as any Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of an Obligation) 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 4.15 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 stating that the Historical Pro Forma Maximum Annual 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 1.20:1; or

(ii) (a) An Officer's Certificate stating that the Historical 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 1.25:1; and (b) a written Consultant's report prepared in accordance with industry standards to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group is not less than 1.35:1 for the next succeeding Fiscal Year following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II) the first full Fiscal Year following Stable Occupancy in the case of acquisition, construction, renovation or replacement of nursing home/retirement community facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness or (III) the Fiscal Year in which such Funded Indebtedness for other purposes is being incurred; provided that such report shall include forecast balance sheets, statements of revenues and expenses and statements of changes in financial position for such Fiscal Year 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 Fiscal Year; or

(iii) An Officer's Certificate stating that the amount of such Funded Indebtedness, along with all other Funded Indebtedness incurred under the test set forth under this section 4.15(A)(iii), does not exceed 10% of revenues for the most recent Fiscal Year preceding the date of the incurrence of such Funded Indebtedness.

- (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 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 loans from Affiliates or 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 (ii), which amount shall be no more than 10% of Funded Indebtedness originally incurred to finance the construction of such Facilities.

- (C) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise) 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, that either (i) the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 20%, or (ii) such refunding will result in a present value savings in the Obligated Group's overall Debt Service Requirements.
- (D) Short-Term Indebtedness 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) but excluding the principal payable on all Funded Indebtedness during the next succeeding 12 months and also 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 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; provided, however, that for a period of 20 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 7.5% of the Revenues of the Obligated Group during the preceding 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 and (b) in the minimum amount reasonably practicable taking into account such delay. 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) Balloon Indebtedness if:

(i) (1) 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 or bond insurer or surety 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

(2) the conditions set forth in subsection 4.15(A) are met for any Fiscal Year in which 25% or more of the original principal amount of such Balloon Indebtedness comes due when it is assumed that (a) the portion of Balloon Indebtedness coming due in such Fiscal Year matures over 30 years from the date of issuance of the Balloon Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Balloon Indebtedness coming due in such Fiscal Year matures according to its actual principal amortization schedule, bears interest on the unpaid balance at the Projected Rate, but this subsection (b) shall only be used if the amortization of all Indebtedness of the Obligated Group Outstanding, when the Balloon Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than 10% per year or (c) the portion of Balloon Indebtedness coming due in such Fiscal Year bears interest at the Projected Rate and matures according to the principal amortization schedule set forth in the binding commitment described in subsection (1) above; or

(ii) the aggregate principal amount of all Balloon Indebtedness issued pursuant to this subsection (E) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; or

(iii) the Balloon Indebtedness to be incurred has a remaining term of five years or greater beginning in such fiscal year, and

(1) the Member incurring such Balloon Indebtedness 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;

(2) such Member agrees in such Officer's Certificate to deposit each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company) 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

(3) 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

(iv) (1) there is delivered to the Master Trustee an Officer's Certificate to the effect that the Member incurring such Balloon Indebtedness intends to refinance the principal amount of such Balloon Indebtedness on or prior to the date on which it is due; and (2) the conditions set forth in Section 4.15(A) or Section 4.15(C) are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years from the date of issuance of the Balloon Indebtedness; and (3) the report of the Consultant establishing the Projected Rate used to make the calculation pursuant to this Section 4.15(E)(iv) contains a statement of the Consultant that it is reasonable to assume that 30 year installment obligations (or installment obligations of such lesser term as is used to calculate annual debt service in accordance with this Section 4.15(E)(iv)) of the Obligated Group or a Member thereof can be sold.

(F) Put Indebtedness if:

(i) the amount of such Put Indebtedness does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available and the conditions set forth in subsection 4.15(A) above are met with respect to such Put Indebtedness when it is assumed that (a) such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years commencing with the next succeeding Put Date, or (b) such Put Indebtedness bears interest at the Projected Rate and is payable according to its actual principal amortization schedule, but this subsection (b) shall only be used if the debt service of all Indebtedness of the Obligated Group Outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in clause 4.15(F)(ii)(1) below; or

(ii) (1) there is in effect at any time such Put 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 or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Put Indebtedness on any Put Date, and (2) the conditions set forth in subsection 4.15(A) are met for any Fiscal Year in which 25% or more of the original principal amount of such Put Indebtedness may come due when it is assumed that (a) the portion of Put Indebtedness which may come due in such Fiscal Year matures over 30 years from the date of issuance of the Put Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Put Indebtedness which may come due in such Fiscal Year matures according to its actual principal amortization schedule and bears interest on the unpaid balance at the Projected Rate, but this subsection

(b) shall only be used if the amortization of all Indebtedness of the Obligated Group Outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b), varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in clause (1) above; or

(iii) the aggregate principal amount of all Put Indebtedness issued pursuant to this subsection (F) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available; or

(iv) (1) there is delivered to the Master Trustee an Officer's Certificate to the effect that the Member incurring such Put Indebtedness intends to refinance the principal amount of such Put Indebtedness on or prior to the next succeeding Put Date; and (2) the conditions set forth in Section 4.15(A) or Section 4.15(C) 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 period of no more than 30 years from the date of issuance of the Put Indebtedness; and (3) the report of the Consultant establishing the Projected Rate used to make the calculation pursuant to this Section 4.15(F)(iv) contains a statement of the Consultant that it is reasonable to assume that 30 year installment obligations (or installment obligations of such lesser term as is used to calculate annual debt service in accordance with this Section 4.15(F)(iv)) of the Obligated Group or a Member thereof can be sold.

- (G) Liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under this Master Indenture.
- (H) 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, including but not limited to deferred obligations for the refund or repayment of Entrance Fees.
- (I) Indebtedness represented by a letter of credit reimbursement agreement or standby bond purchase agreement or other similar agreement entered into by any Member and a financial institution providing either a liquidity or credit support with respect to any other Indebtedness incurred in accordance with any other provision of this Section 4.15;
- (J) Non-Recourse Indebtedness, without limit.
- (K) Extendable Indebtedness if the conditions set forth in subsection (A) above are met when it is assumed that (i) such Indebtedness bears interest at the Projected Rate and is amortized on a level debt service basis over a term

equal to the remaining term of the Extendable Indebtedness or (ii) such Indebtedness bears interest at the Projected Rate and is payable in accordance with its actual amortization schedule, but only if the debt service on all Indebtedness of the Obligated Group Outstanding when the Extendable Indebtedness debt service being calculated is calculated in accordance with this subsection (ii), varies by no more than 10% per year.

- (L) Subordinated Indebtedness, without limit, provided interest and principal payments on any Subordinated Indebtedness shall be deferred unless the Historical Debt Service Coverage Ratio preceding such payment is at least 1.30:1 and the Days Cash on Hand after giving effect to such payment is at least 250. **Notwithstanding, the foregoing sentence, the limitations set forth in the foregoing sentence shall not apply to Affiliate Related Subordinated Indebtedness that is:**

(i) incurred once in an amount up to \$4,000,000 by a Member in connection with the issuance of the Initial Related Bonds (the "Initial Subordinated Indebtedness"). With respect to the Initial Subordinated Indebtedness, interest and principal payments shall be deferred until the later of (i) repayment of the of the second and third Series of the Initial Related Bonds, (ii) occupancy of 85% or higher on four consecutive Testing Dates under the Related Loan Documents entered into in connection with the Initial Related Bonds, and (iii) certification of compliance with all covenants hereunder and under the under the Related Loan Documents entered into in connection with the Initial Related Bonds on four (4) consecutive Testing Dates, but with respect to the Days Cash on Hand Requirement only, on two (2) consecutive Testing Dates; or

(ii) incurred as a result of one or more draws under the Liquidity Support Agreement. With respect to the Subordinated Indebtedness incurred as a result of one or more draws under the Liquidity Support Agreement, interest and principal payments shall be deferred as set forth in the Liquidity Support Agreement; or

(iii) incurred as a result of one or more draws under the Entrance Fee Guaranty. With respect to the Subordinated Indebtedness incurred as a result of one or more draws under the Entrance Fee Guaranty, interest and principal payments shall be deferred as set forth in the Entrance Fee Guaranty.

- (M) Commitment Indebtedness, without limit.
- (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), (D), (E) or (F), does not exceed 10% of the Revenues of the Obligated Group for the latest preceding Fiscal Year for which financial statements reported upon by independent certified public accountants are available provided, however, that the total amount of all Indebtedness Outstanding which was issued pursuant to the provisions of subsections (D), (E)(ii), (F)(iii) and this subsection (N) shall not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available.

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 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, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section 4.15 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 (G) or (H) of this Section 4.15.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by 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 to the effect that, to such Independent Counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the sale 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 Independent 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.

The provisions of this Master Indenture notwithstanding, the Members of the Obligated Group may not incur any Additional Indebtedness the proceeds of which will be used for the acquisition of real Property or the construction of any Facilities unless the right, title and interest in any assets to be financed or refinanced with the proceeds of such Additional Indebtedness and the real estate upon which such assets will be located will be mortgaged and assigned to the Master Trustee pursuant to a mortgage or deed of trust in substantially the form of the Mortgage and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances.

Section 4.16 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 4.15 and in this Section 4.16. In the case of Balloon or Put Indebtedness issued pursuant to subsection (E) or (F) of Section 4.15 hereof, unless such Indebtedness is reclassified pursuant to this Section 4.16 as having been issued pursuant to another subsection of Section 4.15, 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 and amortized in conjunction with the amortization defined in 4.15. 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 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) which was in effect on the last date of each of the twelve full calendar months immediately preceding the month in which such calculation is made; provided that if the index or other basis for calculating such interest was not in existence for at least twelve full calendar months next preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month next preceding the date of calculation; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate. No debt service shall be deemed payable upon the exercise by a holder of Extendable Indebtedness of the option to tender such Indebtedness for payment.

Obligations issued to secure Indebtedness permitted to be incurred under Section 4.15 shall not be treated as Additional Indebtedness in a manner which would require such Indebtedness to be included more than one time in the calculations performed under this Master Indenture.

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 (N) of Section 4.15, unless reclassified pursuant to this Section 4.16, shall be deemed to be payable in accordance with the assumptions set forth in subsection (E)(i)(2) of Section 4.15. Put Indebtedness incurred as provided under subsection (B) or (N) of Section 4.15, unless reclassified pursuant to this Section 4.16, shall be deemed to be payable in accordance with the assumptions set forth in subsection (F)(i) of Section 4.15.

For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Funded Indebtedness of the guarantor under such Guaranty. For the purpose of calculating any historical Debt Service Requirements, the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor. For any other purpose, 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 purposes of the various calculations required under this Master Indenture for Capitalized Leases, 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 4.15, including without limitation subsection (N) of Section 4.15, reclassified as having been incurred under another provision of Section 4.15, 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 herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which an Interest Rate Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Interest Rate Agreement is in effect at a net rate which takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Interest Rate Agreement; provided that the long-term credit rating of the provider of such Interest Rate 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. For the purposes of determining the Debt Service Requirements for any future period of time with respect to any Indebtedness subject to an Interest Rate Agreement satisfying the requirements of the preceding sentence (i) if the Member is required to pay a fixed rate of interest under the Interest Rate Agreement, such Indebtedness shall be

deemed to bear interest at such fixed rates and (ii) if the Member is required to pay interest at a variable rate under the Interest Rate Agreement, Debt Service Requirements on such Indebtedness shall be calculated in accordance with the second paragraph of this Section 4.16. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account an Interest Rate Agreement, any payments made by a Member on such Interest Rate 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 this Master Indenture.

Section 4.17 Sale, Lease or Other Disposition of Property. (a) Except for circumstances under which Section 4.13 is applicable, if the amount of such Property sold, leased or otherwise disposed, for any consecutive twelve month period, will exceed 3% of the total Book Value (or Current Value if the Obligated Group Agent so elects) of all Property of the Obligated Group, each Member agrees that it will not sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including cash and investments) unless the Obligated Group Agent delivers an Officer's Certificate to the Master Trustee stating that the Property has been transferred in one or more of the following transfers or other dispositions of Property:

- (1) In return for or replaced by other Property of equal or greater value or usefulness;
- (2) In the ordinary course of business upon fair and reasonable terms;
- (3) The 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;
- (4) In the case of any proposed, pending or potential condemnation or taking for public or quasi-public use of the Property or any portion thereof;
- (5) In connection with a merger, consolidation, sale or conveyance permitted under Section 4.13 of this Master Indenture;
- (6) At the time of such transfer or disposition, the Historical Debt Service Coverage Ratio of the Obligated Group was not less than 1.30:1 for the last Fiscal Year for which audited financial statements have been delivered to the Master Trustee, and as of the end of the last fiscal quarter for which financial statements have been delivered to the Master Trustee, the Obligated Group had not less than 100 Days Cash on Hand after giving effect to the transactions;
- (7) Leases listed in the definition of "Permitted Encumbrances;" or
- (8) any Property that is not Mortgaged Property that is sold for fair market value.

(b) Notwithstanding subsection (a) above, if the Historical Debt Service Coverage Ratio is equal to or greater than 1.30:1, the foregoing percentage of the total Book Value

or Current Value of Property that may be transferred or disposed, shall be increased as follows under the following conditions:

- (1) to 5%, if Days Cash on Hand would not be less than 300 after the effect of such transfer or disposition; or
- (2) to 7.5%, if Days Cash on Hand would not be less than 400 after the effect of such transfer or disposition; or
- (3) to 10%, if Days Cash on Hand would not be less than 500 after the effect of such transfer or disposition.

If the Property to be disposed in accordance with this Section 4.17 is Mortgaged Property, the Master Trustee shall, upon the request of the Obligated Group Agent, release such Mortgaged Property from the Mortgage pursuant to the terms of the Mortgage.

Section 4.18 Liens on Property. Section 4.06(e) notwithstanding, a Lien on Property of any Member securing Indebtedness or an Interest Rate Agreement shall be classified as a Permitted Encumbrance (as provided in clause (b) of the definition thereof) and therefore be permitted if:

- (1) such Lien secures Non-Recourse Indebtedness; or
- (2) (a) after giving effect to such Lien, 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 10% 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 Obligated Group Agent delivers an Officer's Certificate stating that the conditions described in Section 4.15(A) are met for allowing the incurrence of one dollar of additional Funded Indebtedness.

Section 4.19 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 not objected to by 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 Bond Trustee, and that all items required to be delivered or addressed to the Master Trustee hereunder or under the Mortgage shall also be delivered or addressed to the Related Bond Trustee, 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.

Section 4.20 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 4.21 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 designated corporate trust office of said alternate Paying Agents.

Section 4.22 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 are reasonably required for the better assuring, assigning and confirming unto the Master Trustee, its successors and assigns, all and singular the security in the Trust Estate granted hereunder.

(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 are reasonably required 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 4.23 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 reasonable attorneys' fees 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 gross negligence or willful misconduct 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, which shall have existed at the commencement of this Master Indenture;

(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 such official statement or other offering document has been approved by the Obligated Group Agent and the indemnified party did not have knowledge of the omission or misstatement or did not use such official statement or other offering document with reckless disregard of or gross negligence in regard to the accuracy or completeness of such official statement or other offering document.

(6) the exercise and performance of any of the Master Trustee's powers and duties hereunder except to the extent that such loss, liability or damage, including reasonable attorneys' fees, is incurred by reason of the Master Trustee's gross negligence or willful misconduct.

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.

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.

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 the employment of counsel reasonably 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. The obligations of the Obligated Group set forth in this Section 4.23 shall survive the assignment or termination of this Master Indenture and the resignation or removal of the Master Trustee.

Section 4.24 Debt Service Coverage Ratio Covenant. The Obligated Group covenants that, commencing upon Stabilization, the Obligated Group Agent will calculate the Historical Debt Service Coverage Ratio of the Obligated Group as of each Testing Date. The Obligated Group shall include such calculation in the Officer's Certificate delivered pursuant to Section 4.14 hereof.

Commencing with Stabilization, the Members of the Obligated Group shall maintain a Historical Debt Service Coverage Ratio of equal to or greater than the Debt Service Coverage Ratio Requirement. Compliance with the Debt Service Coverage Ratio Covenant will be tested on each Testing Date with respect to the Debt Service Coverage Ratio Requirement.

(a) If the actual Historical Debt Service Coverage Ratio is less than the Debt Service Coverage Ratio Requirement for any calculation date, the Obligated Group Agent, at the Obligated Group's expense, within 30 days following the delivery of the calculation described hereinabove, deliver an Officer's Certificate to the Master Trustee containing a management prepared report making recommendations and outlining steps to be taken by the Obligated Group 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 generate a Historical Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement for the following Fiscal Year.

(b) If the Obligated Group has not raised the level of the Historical Debt Service Coverage Ratio to the Debt Service Coverage Ratio Requirement by the Testing Date immediately subsequent to the delivery of the management report required in the preceding paragraph, or if the Historical Debt Service Coverage Ratio is below 1.00 at any Testing Date, the Obligated Group Agent, at the Obligated Group's expense, shall retain a Consultant within 15 days following the delivery of the calculation described herein 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 Historical Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year. Such Consultant shall be approved and retained as set forth in Section 4.29 hereof.

(c) Within 45 days of retaining any such Consultant, the Obligated Group Agent shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) 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.

(d) Within 165 days of filing the Consultant's report and recommendations as required in Section 4.24(b) hereof, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with each

Member and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations as required in Section 4.24(b) hereof.

(c) If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of 1.20 for a Fiscal Year but did achieve a Historical Debt Service Coverage Ratio of at least 1.00 in the immediately preceding Fiscal Year or such calculation was not required (and the circumstances set forth in Section 4.24(f) hereof constituting an Event of Default, have not occurred), such failure shall not constitute an event of default under the Master Indenture if (i) the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and (ii) follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law. Failure by the Obligated Group to comply with (i) or (ii) of the preceding sentence may become an Event of Default, with the giving of notice pursuant to Section 5.02(b).

(f) If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 at the end of any Fiscal Year and 300 Days Cash on Hand, such failure shall constitute an Event of Default under this Master Indenture. If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for two consecutive Fiscal Years, such failure shall constitute an Event of Default under this Master Indenture.

Section 4.25 Liquidity Covenant. The Obligated Group covenants that the Obligated Group Agent will calculate the Days Cash on Hand of the Obligated Group as of each Testing Date. The Obligated Group shall include such calculation in the Officer's Certificate delivered pursuant to Section 4.14 hereof.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 200 Days' Cash on Hand on each Testing Date (the "Liquidity Requirement").

(a) If the amount of Days' Cash on Hand as of any Testing Date is less than the Liquidity Requirement and the Obligated Group has not raised the level of Days' Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer's Certificate delivered pursuant to Section 4.14 hereof, the Obligated Group Agent shall, within 15 days after delivery of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Days' Cash on Hand to the Liquidity Requirement for future periods. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 45 days after the date such Consultant is retained. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law. Such Consultant shall be approved and retained as set forth in Section 4.29 hereof.

(b) Notwithstanding any other provision of this Master Indenture to the contrary, failure of the Obligated Group to achieve the required Liquidity Requirement for any Fiscal Year

shall not constitute an Event of Default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above retaining a Consultant and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law; **provided however that** if the Obligated Group fails to achieve 150 Days Cash on Hand as of any Testing Date, such failure shall constitute an Event of Default under this Master Indenture.

Section 4.26 Reserved.

Section 4.27 Reserved.

Section 4.28 Reserved.

Section 4.29 Approval of Consultants. (a) If at any time the Members of the Obligated Group are required to engage a Consultant or third party marketing firm under the provisions of Sections 4.09, 4.24, 4.25, of this Master Indenture or the applicable provisions of a Related Loan Document (including without limitation, Section 8.14(ii), (iii) and (iv) of the Related Loan Document entered into in connection with the issuance of the Initial Related Bonds) such Consultant or third party marketing firm shall be engaged in the manner set forth below in this Section.

(b) Upon selecting a Consultant or third party marketing firm as required under the provisions of this Master Indenture, the Obligated Group Agent will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, notify the Holders of all Obligations Outstanding under this Master Indenture of such selection. Such notice (which shall be provided by the Obligated Group Agent) shall (i) include the name of the Consultant or third party marketing firm and a brief description of the Consultant or third party marketing firm, (ii) state the reason that the Consultant or third party marketing firm is being engaged including a description of the covenant(s) of this Master Indenture that require the Consultant or third party marketing firm to be engaged, and (iii) state that the Holder of the Obligation will be deemed to have consented to the selection of the Consultant or third party marketing firm named in such notice unless such Holder submits an objection to the selected Consultant or third party marketing firm in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two (2) Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group of the number of any objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Obligations have been deemed to have consented to the selection of the Consultant or third party marketing firm or have not responded to the request for consent, the Obligated Group Agent shall engage the Consultant or third party marketing firm within three (3) Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Obligations Outstanding have objected to the Consultant or third party marketing firm selected, the Obligated Group Agent shall select another Consultant or third party marketing firm which may be engaged upon compliance with the procedures of this Section 4.29.

(c) When the Master Trustee notifies the Holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subparagraph (b) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant or third party marketing firm in accordance with the response of the owners of such Related Bonds. If 66.6% or more in aggregate principal amount of the owners of the Related Bonds have been deemed to have consented to the selection of the Consultant or third party marketing firm or have not responded to the request for consent, the Obligated Group Agent shall engage the Consultant or third party marketing firm within three (3) Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Consultant selected, the Obligated Group Agent shall select another Consultant or third party marketing firm which may be engaged upon compliance with the procedures of this Section 4.29.

The 15-day notice period described in (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section.

(d) All Consultant reports required under the Master Indenture shall be prepared in accordance with the then-effective industry-appropriate standards.

(e) If a Consultant is required to be engaged under two or more Sections of this Master Indenture, the requirements of those Sections may (but need not be) satisfied through the engagement of a single Consultant under a single engagement in lieu of multiple engagements. Any requirement for a Consultant's report under this Master Indenture may be satisfied by an update of a previous Consultant's Report so long as the update when taken together with the previous report satisfies the requirements of this Master Indenture.

(f) A Consultant's report under one Section of this Master Indenture may satisfy a requirement for a Consultant's report under another Section of this Master Indenture but only if the nature of the Consultant and the substance of the report are sufficient to satisfy that requirement.

Section 4.30 Rating Application. The Obligated Group Agent covenants that it will seek at its expense a rating of the Initial Related Bonds from any Rating Agency each year after a determination is made by the Obligated Group Agent in consultation with the Initial Underwriter that an investment grade rating is reasonably obtainable, until achievement of an investment grade rating, provided that if during any such year the Obligated Group Agent receives a preliminary indication from such Rating Agency that the Initial Related Bonds will not be assigned an investment grade rating, the Obligated Group Agent shall withdraw any request for such year to have such Rating Agency assign a rating to the Initial Related Bonds.

Section 4.31 Actuarial Study. Commencing with the Fiscal Year ending [December 31, 2021] and at least once every three Fiscal Years thereafter, the Obligated Group Agent, at the Obligated Group's expense, shall provide a management summary of the actuarial study described below to each Member and each Required Information Participant. The actuarial study shall be

prepared by a Consultant and include (a) the amount, if any, of the Obligated Group's obligations to provide services under the Residency Agreements anticipated to be in excess of those that could be satisfied using the rates, fees and charges for the Facilities then in effect, and (b) recommendations, if any, 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 enable to the Obligated Group to satisfy such obligations. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law and contract.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01 Reserved.

Section 5.02 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, or any other scheduled amount due 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; or

(b) except as otherwise provided herein, 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 in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under this Master Indenture 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; provided that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under this Master Indenture 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

(d) default in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money or in the payment of any amount due on any Interest Rate Agreement of any Member, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due and after any notice periods, 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 or Interest Rate Agreement (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 or Interest Rate Agreement due and payable prior to the date on which it would otherwise become due and payable; provided, however, that if such Indebtedness or Interest Rate Agreement 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 or Interest Rate Agreement, together with the unpaid principal amount of all other Indebtedness or Interest Rate Agreement so in default, exceeds the greater of \$250,000 or 1% of unrestricted net assets of the Obligated Group;

(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 90 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 the greater of \$250,000 or 1% of the unrestricted net assets 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 90 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 90 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; or

(j) any event of default shall occur under the Mortgage or any mortgage executed pursuant to the last paragraph of Section 4.15 hereof.

Upon the Master Trustee's receipt of notice of the occurrence and during the continuance of an event of default described in this Section 5.02 as provided in subsection (g) of Section 6.01, or of which by said subsection the Master Trustee is deemed to have notice, the Master Trustee shall give the Obligated Group Agent the Notice described in Section 5.14 hereof.

Section 5.03 Acceleration. If an event of default has occurred and is continuing hereunder, the Master Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of Outstanding Obligations, 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 5.11 hereof with respect to waivers of events of default.

Section 5.04 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 is continuing hereunder, and if it shall have been requested so to do by the holders of 25% or more in aggregate principal amount of Obligations Outstanding who requested or was entitled to request pursuant to Section 5.03 hereof that the Master Trustee accelerate the Obligations and if it shall have been indemnified as provided in Section 6.01(k) hereof, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 5.04 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 5.05 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 5.03 hereof and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of not less than 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 and the Mortgage, 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.

The foregoing notwithstanding, the holders of not less than 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 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.

Section 5.06 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 5.07 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 any Debt Obligations which shall have become due (other than Debt Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture) and of any amounts which have become due under any Hedging Obligation, in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full the Obligations due on any particular date, then to the payment ratably, according to the amount of principal, premium and other amounts 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 any other amounts which have become due under any and all Obligations.

(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:

First: To the payment of the principal, premium, if any, and interest then due and unpaid and any other amounts which have become due under any and all Obligations (including Hedging Obligations) without preference or priority of principal, premium, interest or other amounts over the others, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, interest and other amounts to the persons entitled thereto without any discrimination or privilege.

(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 5.07 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 5.07.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section 5.07, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine in its sole discretion, 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 5.07 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 5.08 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 5.09 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 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 5.03 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, 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 6.01(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 5.10 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 5.11 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 not less than a majority in aggregate principal amount of all Obligations then Outstanding who requested or was entitled to request 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 5.12 Members' Rights of Possession and Use of Property. So long as each Member is in 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 5.13 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, 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.

Section 5.14 Lock-Box Provisions. Upon the occurrence and during the continuance of a payment event of default described in Section 5.02(a) hereof, the Master Trustee shall give to the Obligated Group Agent a notice (the "**Lock-Box Notice**") referring to this Section 5.14 of this

Master Indenture. Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within seven (7) days the Obligated Group Agent will (i) engage a Consultant (which Consultant is not objected to by the Master Trustee) to review the operating budget of the Obligated Group as required by this Section 5.14 and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Agent and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the "**Lock-Box Budget**"), will be sent to the Obligated Group Agent and the Master Trustee. In the event that the Obligated Group Agent fails to submit a proposed operating budget to the Consultant and the Master Trustee, the Consultant will modify the operating budget last submitted to the Consultant as it deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Obligated Group Agent and the Master Trustee. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Agent to pay operating expenses only in accordance with the Lock-Box Budget.

If at any time following a Lock-Box Notice all amounts due to the Master Trustee have been paid in full, the Master Trustee will notify the Obligated Group Agent in writing that the lock-box provisions of this Section 5.14 are suspended. Additionally, the Master Trustee may in its discretion at any time agree to suspend such lock-box provisions by so notifying the Obligated Group Agent in writing. Thereafter, unless and until any subsequent Lock-Box Notice is received by the Obligated Group Agent, Gross Revenues need not be deposited with the Master Trustee.

Section 5.15 Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this instrument or the provisions hereof invalid or unenforceable under the provisions of any applicable law.

ARTICLE VI

THE MASTER TRUSTEE

Section 6.01 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. The Master Trustee shall not be liable

in connection with the performance of such duties, except with respect to its own gross negligence and willful misconduct. 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 person would exercise or use in the circumstances in the conduct of such person's 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 and shall not be responsible for the willful misconduct or gross negligence 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 selected or retained by any Member 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 Indenture 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 Obligor 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, nor any obligation to monitor the Obligated Group's compliance with the terms of the documents executed and delivered in connection with the issuance of Related Bonds.

(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 in the proper form, genuine 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, and any other authorized officer of the Member 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 6.01, 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 any other authorized officer of the Member 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 gross negligence or willful misconduct.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any event of 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 2.02 or Section 4.01 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 4.14, by any Related Bond Trustee 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 designated 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 reasonably requested by the Master Trustee to discharge its duties, 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 making payments of principal and interest on the Obligations as they become due and causing an acceleration of the Obligations when required hereby, the Master Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances, and except liability which is adjudicated to have resulted from its negligence or willful misconduct 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) The Master Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to any Related Bonds or any Obligations except with respect to any such information, statement or recital submitted by the Master Trustee for such purpose.

(n) The Master Trustee shall not be required to monitor the financial condition of the Members or the physical condition of the Mortgaged Property. Furthermore, the Master Trustee shall be under no obligation to analyze, review or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents to any Person to whom the Master Trustee may provide such information pursuant to this Master Indenture.

(o) All moneys received by the Master Trustee shall be held in trust in the manner and for the purpose for which they were received but need not be segregated from other moneys held by the Master Trustee, except to the extent required by this Master Indenture or by law. The Master Trustee shall not be liable for interest on any moneys received hereunder.

(p) In no event shall the Master Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Master Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

Section 6.02 Compensation and Indemnification. Unless otherwise provided by contract with the Master Trustee, the Obligated Group shall pay or cause to be paid to the Master Trustee after reasonable notice to the Obligated Group in light of the compensation sought to be received, reasonable compensation for ordinary services rendered by it hereunder, including, if applicable, its services as Paying Agent and Obligation Registrar for the Obligations as hereinabove provided,

and also all its reasonable expenses, charges, counsel fees, expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. Should it become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary costs and expenses in connection therewith; provided that if such extraordinary services or extraordinary costs and expenses are occasioned by the gross negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. 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 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. When the Master Trustee incurs expenses or renders services after the occurrence of an Event of Default, the expenses and the compensation for the services shall constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. The Obligated Group shall indemnify and save the Master Trustee harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its gross negligence, willful misconduct or failure to comply with the provisions of this Master Indenture. None of the provisions contained in this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Obligated Group under this Section to compensate the Master Trustee, to pay or reimburse the Master Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Master Trustee shall survive the satisfaction and discharge of this Master Indenture.

Section 6.03 Notice to Obligation Holders If Default Occurs. If a default occurs of which the Master Trustee is by subsection (g) of Section 6.01 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 6.04 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 6.01(k), shall do so if requested in writing by 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 6.04 are subject to the approval of a court of competent jurisdiction.

Section 6.05 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, provided such successor 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 having a reported combined capital and surplus and undivided profits of at least \$50,000,000. Any such qualified successor Master Trustee shall be 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 6.06 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 having a reported combined capital and surplus and undivided profits of at least \$50,000,000. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section 6.06, it shall resign immediately in the manner provided in Section 6.07. No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee shall become effective until the successor Master Trustee has accepted its appointment under Section 6.10 hereof.

Section 6.07 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 holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding or by the Obligated Group. If a successor Master Trustee has not accepted its appointment within such 30-day period, the current Master Trustee may apply to a court of competent jurisdiction to appoint a successor Master Trustee to act until such time, if any, as a successor shall have so accepted its appointment. Such notice to the Obligated Group Agent may be served personally or sent by registered or certified mail.

Section 6.08 Removal of the Master Trustee. The Master Trustee may be removed at any time by giving thirty days' written notice, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Obligated Group Agent, and signed by the registered owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding. So long as no event of default has occurred and is continuing under this Master Indenture, 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 under this Master Indenture, the Master Trustee may be removed at any time by an instrument in writing signed by the Obligated Group Agent and delivered to the Master Trustee. The foregoing notwithstanding, but subject to Section 6.09 hereof, the Master Trustee may not be removed by the Obligated Group Agent unless written notice of the delivery of such instrument or instruments signed by the Obligated Group Agent is mailed to the owners of all Obligations Outstanding under this Master Indenture, which notice indicates the Master Trustee will be removed and replaced by the successor trustee named in such notice, such

removal and replacement to become effective on the 60th day next succeeding the date of such notice, unless the owners of not less than 10% in aggregate principal amount of such Obligations then Outstanding under this Master Indenture shall object in writing to such removal and replacement.

Section 6.09 Appointment of Successor Master Trustee by the Obligated Group and 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 by the Obligated Group, or by the owners of not less than a majority 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, with the approval of the Obligated Group so long as the Obligated Group is not in default, or potentially in default, hereunder. 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 6.09 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 6.10 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 6.11 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 6.12 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 6.13 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 up to seven years after the last Obligation is paid and this Master Indenture is released. The Master Trustee shall be entitled to reasonable compensation for its maintenance of any such records.

ARTICLE VII

SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS TO THE MORTGAGE

Section 7.01 Supplemental Master Indentures and Amendments to the Mortgage Not Requiring Consent of Obligation Holders. Subject to the limitations set forth in Section 7.02 hereof with respect to this Section 7.01, the Members and the Master Trustee may, but without the consent of, or notice to, any of the Obligation Holders, amend or supplement this Master Indenture or the Mortgage 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 the Mortgage 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 or under the Mortgage upon any Member;

(c) To assign and pledge under this Master Indenture or the Mortgage 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 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;
- (k) To modify or eliminate any of the terms of this Master Indenture; provided, however, that such Supplemental Master Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Obligation Outstanding of any series created prior to the execution of such Supplemental Master Indenture; and
- (l) To permit the issuance of Obligations which are not in the form of a promissory note;
- (m) Provide for the release in accordance with the provisions of this Master Indenture or the Mortgage of any Property subject to the lien of the Mortgage; and
- (n) To make any other change which, in the opinion of the Master Trustee (which opinion may be based upon the advice or opinion of Independent Counsel), 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 or the Mortgage or any amendment thereto 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.
- (o) Any Supplemental Master Indenture providing for the issuance of 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:
 - (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 such Obligations;

- (ii) delivery to the Master Trustee of an opinion of Independent Counsel 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

- (iii) delivery to the Master Trustee of an opinion of Independent Counsel to the effect that registration of such Obligations under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Obligated Group has complied with all applicable provisions of said Act.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (m) above, the Master Trustee 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 then-outstanding Obligations or Related Bonds, in the manner provided in Section 10.04 or in the documents related to such Related Bonds 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.

If any Supplemental Master Indenture is entered into pursuant to this Section 7.01, the Master Trustee shall send notice of the execution thereof to any remarketing agents of Related Bonds.

In connection with the execution and delivery of any Supplemental Master Indenture to be entered into under the provisions of Article VII of this Master Indenture, the Master Trustee shall receive and may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Master Indenture complies with the foregoing conditions and provisions.

Section 7.02 Supplemental Master Indentures and Amendment of the Mortgage Requiring Consent of Obligation Holders. In addition to Supplemental Master Indentures covered by Section 7.01 hereof and subject to the terms and provisions contained in this Section 7.02, and not otherwise the holders of not less than a majority in aggregate principal amount of the Obligations which are Outstanding hereunder at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage or, in case less than all of the several series of Obligations Outstanding are affected thereby, the holders of not less than majority in aggregate principal amount of the Obligations of the series affected thereby which are Outstanding hereunder at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage, shall have the right, from time to time, anything contained in this Master Indenture or in the Mortgage 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 7.02 or in Section 7.01 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 or amendment to the Mortgage or any such amending or supplementing instruments, without the consent of the holders of all the Obligations at the time Outstanding which would be affected by the action to be taken, (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee or (d) permit the creation of any Lien ranking prior to the lien of the Master Indenture with respect to any of the Trust Estate or terminate the lien of this Master Indenture or the Mortgage on any Property at any time subject hereto or thereto (other than as may otherwise be provided herein or therein); provided further that no such modification shall be made if it materially adversely affects the provisions of the Master Indenture concerning the conditions precedent to a Person becoming a Member, the conditions precedent to cessation of status as a Member, the maintenance of the Obligated Group's Property free and clear of Liens other than Permitted Encumbrances, the definition of Permitted Encumbrances or transactions with or transfers to Members and other entities without the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Obligations of each series affected thereby.

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 7.02, 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 7.02. If the holders of not less than a majority 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 7.02 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 5.13.

If any Supplemental Master Indenture is entered into pursuant to this Section 7.02, the Master Trustee shall send notice of the execution thereof to any remarketing agents of Related Bonds.

ARTICLE VIII

SATISFACTION OF THE MASTER INDENTURE

Section 8.01 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 8.01, 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 an escrow agent, which may be the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine sufficient (which determination may be based upon a report of a firm of independent certified public accountants) 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 written 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 written 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 an escrow agent, which may be the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) 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 8.03 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 not objected to by 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 until paid in full, 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.

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 8.02 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 8.02, 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 an escrow agent, which may be the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) 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 written 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 written 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 an escrow agent, which may be the Master Trustee, in trust, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) 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 8.03 hereof) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The foregoing notwithstanding, 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.

Section 8.03 Satisfaction of Related Bonds. The provisions of Section 8.01 and Section 8.02 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.

Section 8.04 Conditions to Defeasance. Prior to any defeasance becoming effective as provided in this Article VIII, there shall have been delivered to the Master Trustee (A) an Opinion of Bond Counsel to the effect that interest on any Obligation being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Master Trustee) to the effect that the moneys and/or Escrow Obligations are sufficient, without reinvestment, to pay the indebtedness of the Obligation to be defeased.

ARTICLE IX

MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS

Section 9.01 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 acknowledgments in such jurisdiction, that the person signing such writing acknowledged before such officer 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 10.01 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 10.02 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 two 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 Obligations 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. If any Obligation or evidence of beneficial ownership of such Obligation shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Obligated Group to the registered owner thereof for the payment of such Obligation shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Obligation and interest due thereon, if any, are held by the Master Trustee uninvested for the benefit of the registered owner thereof. The registered owner shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or her part under this Master Indenture or on, or with respect to, such Obligation.

Section 10.03 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 10.04 Notices. It shall be sufficient service of any notice, complaint, demand or other paper if the same shall be delivered in person or duly mailed by registered or certified mail or delivered by a nationally recognized courier service, addressed to the appropriate party as follows:

To the Members of the Obligated Group:

Gurwin Independent Housing, Inc.
68 Hauppauge Road
Commack, New York 11725
Attention: Stuart Almer, President & CEO
Telephone: []
Facsimile: []

To the Master Trustee:

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Orlando Jones
Telephone: 212.951.8542
Facsimile: orlando.jones@usbank.com

To the Rating Agencies then rating any Outstanding Related Bonds at the address provided by such Rating Agencies.

In addition to the above means of giving notice, the Master Trustee shall have the right to accept and act upon instructions or directions pursuant to this Master Indenture sent in the form of a manually signed document by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Obligated Group shall provide to the Master Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Obligated Group elects to give the Master Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Master Trustee in its discretion elects to

act upon such instructions, the Master Trustee's understanding of such instructions shall be deemed controlling. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such instructions notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Obligated Group agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Master Trustee, including, without limitation, the risk of the Master Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.05 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 10.06 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 10.07 Applicable Law. This Master Indenture shall be governed exclusively by the applicable laws of the State of New York.

Section 10.08 Immunity of Officers, Directors, 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, as such, either directly or through any Member or 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 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 10.09 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.

Section 10.10 UCC Financing Statements. The Obligated Group will have filed or caused to be filed all financing statements describing, and transferred such possession or control over, such collateral (and for so long as any Obligation is outstanding under this Master Indenture, the Obligated Group will cause the Master Trustee to file all such continuation statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which an Obligated Group Member is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301--9.306 of such jurisdiction.

The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code continuation statement that may be required by law or is, in the judgment of the Master Trustee, necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Indenture or the Mortgage.

Section 10.11 Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 10.12 Patriot Act. The Master Trustee hereby acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act (being the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001), each depositary bank, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with a depositary bank. The Master Trustee hereby acknowledges that it shall obtain such information from any party as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

Section 10.13 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS MASTER INDENTURE OR THE OBLIGATIONS CONTEMPLATED HEREBY.

[Signature Page Follows]

WITNESS WHEREOF, each Member of the Obligated Group has caused these presents to be signed in its name and on its behalf by an authorized officer, and to evidence its acceptance of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name and on its behalf by one of its authorized officers, all as of the day and year first above written.

GURWIN INDEPENDENT HOUSING, INC.

By: _____
Name:
Title:

**U.S. BANK NATIONAL ASSOCIATION, as
Master Trustee**

By: _____
Name:
Title:

[Signature Page to Master Trust Indenture]

EXHIBIT A
DESCRIPTION OF LAND

EXHIBIT B

DESCRIPTION OF EXCLUDED PROPERTY

[None]

B-1

EXHIBIT C

LIST OF OBLIGATED GROUP MEMBERS

Gurwin Independent Housing, Inc., a New York not-for-profit corporation

C-1

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 Indebtedness 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 March 1, 2021 between Gurwin Independent Housing, Inc., a New York not-for-profit corporation, as the initial Member of the Obligated Group, and [____], 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 or 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.”

EXHIBIT E
PERMITTED ENCUMBRANCES

The title exceptions listed in the [TITLE REPORT], dated [_____, 2021], furnished by the Obligor to the Master Trustee.

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TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION

(TOWN OF HUNTINGTON, NEW YORK)

and

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

 INDENTURE OF TRUST

Dated as of March 1, 2021

\$[]

Town of Huntington Local Development Corporation
 Revenue Bonds, Series 2021A
 (Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

and

\$[]

Town of Huntington Local Development Corporation
 Revenue Bonds, Series 2021B
 (Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

and

\$[]

Town of Huntington Local Development Corporation
 Revenue Bonds, Series 2021C
 (Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

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EXHIBIT A
EXHIBIT B
SCHEDULE A

FORM OF SERIES 2021 BONDS
 FORM OF REQUISITION
 SCHEDULE OF DEFINITIONS

INDENTURE OF TRUST

This INDENTURE OF TRUST, dated as of March 1, 2021 (this “**Indenture**”), is by and between TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation existing under the laws of the State of New York, located at 100 Main Street, Suite 309, Huntington, New York 11743 (the “**Issuer**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, authorized to accept and execute trusts of the character hereinafter set forth, having an office at 100 Wall Street, 6th Floor, New York, New York 10005 (the “**Trustee**”).

RECITALS

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”) of the State of New York (the “**State**”), as amended (hereinafter collectively called the “**Act**”), a resolution adopted by the Town Board of The Town of Huntington, and pursuant to its certificate of incorporation, the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Issuer proposes to issue, pursuant to the terms of this Indenture, its \$[] Revenue Bonds, Series 2021A (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021A Bonds**”), its \$[] Revenue Bonds, Series 2021B (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021B Bonds**”) and its \$[] Revenue Bonds, Series 2021C (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021C Bonds**”), and together with the Series 2021A Bonds and the Series 2021B Bonds, the “**Series 2021 Bonds**”), under Section 145 of the Internal Revenue Code of 1986, as amended (the “**Code**”), on behalf of Gurwin Independent Housing, Inc., a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725 (the “**Institution**”); and

WHEREAS, the Series 2021 Bonds will be issued to finance the following:

- (A) The financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as “**Fountaingate Gardens**”, that will be owned and operated by the Institution and located at 30 Hauppauge Road, Commack, New York 11725 (SCTM# 0400-251.00-01.00-018.001), on an approximately 10.47-acre site (the “**Land**”), including, but not limited to: (i) the construction of an approximately 171,121 square foot, five-story (inclusive of

below-grade improvements) building known as Parkview, consisting of approximately one hundred two (102) one-bedroom and two-bedroom apartments, a below-grade parking garage, accessory/storage space, and assembly space (collectively, “**Parkview**”); (ii) the construction of an approximately 57,444 square foot, four-story building known as the Terraces, consisting of approximately twenty-seven (27) one-bedroom and two-bedroom terrace apartments, a parking garage, accessory/storage space, and assembly space (collectively, the “**Terraces**”); (iii) the construction of an approximately 20,130 square foot common area building to be used by residents of Parkview and the Terraces, consisting of fitness and exercise areas, an indoor pool area, locker room space, accessory/storage space, library, kitchen, marketplace, and dining spaces, a business area, and assembly space, as well as an art studio, a salon and day spa, game room and multi-purpose room (collectively, the “**Commons**”); and (iv) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 248,695 square feet of new buildings and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the “**Facility**”); and

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds, capitalized interest on the Series 2021 bonds, working capital, funding a debt service reserve fund, and any other reserve funds in connection with the Facility or as may be necessary to secure the Series 2021 Bonds (the items financed in paragraphs (A) and (B) are referred to collectively as, the “**Project**”); and

WHEREAS, contemporaneously with the execution of this Indenture, the Issuer has loaned the proceeds of the Series 2021 Bonds to the Institution for the purposes of financing the Costs of the Project pursuant to a certain Loan Agreement, dated as of March 1, 2021 (the “**Loan Agreement**”), by and between the Institution and the Issuer, and to which Loan Agreement reference may be made by any interested person for the terms, conditions and obligations of the parties thereto; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Series 2021 Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by resolutions duly adopted by the Issuer; and

WHEREAS, it has been determined that providing and paying for the Project will require the issuance, sale and delivery of the Series 2021A Bonds, in the aggregate principal amount of [] AND 00/100 DOLLARS (\$[]), the Series 2021B Bonds, in the aggregate principal amount of [] AND 00/100 DOLLARS (\$[]) and the Series 2021C Bonds, in the aggregate principal amount of [] AND 00/100 DOLLARS, as hereinafter provided; and

WHEREAS, the fully registered Series 2021 Bonds without coupons to be issued hereunder and the Trustee’s Certificate of Authentication to be endorsed on the Series 2021 Bonds are all to be in substantially the forms of Exhibit A attached hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, the Issuer has loaned the Bond Proceeds to the Institution pursuant to the Loan Agreement; and

WHEREAS, the Institution, as the Obligated Group (as such term is defined in the Master Indenture), has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021A Bonds by the issuance of the Institution’s Obligation No. 1, dated March __, 2021 (the “**Series 2021A Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of March 1, 2021 (the “**Master Indenture**”), by and between the Institution and U.S. Bank National Association, as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 1, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 1**”), which Obligation No. 1, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021A Bonds; and

WHEREAS, the Institution, as Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021B Bonds by the issuance of Obligation No. 2, dated March __, 2021 (the “**Series 2021B Obligation**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 2**”), which Obligation No. 2, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021B Bonds; and

WHEREAS, the Institution, as the Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021C Bonds by the issuance of Obligation No. 3, dated March __, 2021 (the “**Series 2021C Obligation**”); and together with the Series 2021A Obligation and Series 2021B Obligation, the “**Series 2021 Obligations**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 3**”); and together with the Supplemental Indenture for Obligation No. 1, the Supplemental Indenture for Obligation No. 2, and the Supplemental Indenture for Obligation No. 3, and the Master Indenture, the “**Master Indenture**”), which Obligation No. 3, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to this Indenture as security for the Series 2021C Bonds; and

WHEREAS, the Series 2021 Obligations and all Obligations issued pursuant to the Master Indenture will be secured by (i) the lien created by a Building Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “**Building Loan Mortgage**”), from the Institution to the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Mortgage and Security Agreement, dated March __, 2021 (the “**Assignment of Building Loan Mortgage**”), from the Issuer to the Master Trustee, (ii) the lien created by a Project Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “**Project Loan Mortgage**”), from the Institution to the Issuer, which Project Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated March __, 2021 (the “**Assignment of Project Loan Mortgage**”), and (iii) a pledge of Gross Revenues of the Obligated Group Members under the Master Indenture; and

WHEREAS, to finance a portion of the Costs of the Project, the proceeds secured by the Building Loan Mortgage (the “**Building Loan Proceeds**”), will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated March __, 2021 (the “**Building Loan Agreement**”), among the Institution, the Issuer and the Trustee, and the provisions of this Indenture to pay for some or all of the direct cost of construction of the Facility (collectively, the “**Construction Costs**”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage; and

WHEREAS, the Series 2021 Bonds will be further secured by (i) an Assignment of Development and Marketing Agreement dated March __, 2021 (the “**Assignment of Development and Marketing Agreement**”), from the Institution to the Issuer and the Master Trustee, (ii) an Assignment of Architect Agreement dated March __, 2021 (the “**Assignment of Architect Agreement**”), from the Institution to the Issuer and the Master Trustee, and (iii) an Assignment of Guaranteed Maximum Price Construction Agreement, dated March __, 2021 (the “**Assignment of Guaranteed Maximum Price Construction Agreement**”), from the Institution to the Issuer and the Master Trustee; and

WHEREAS, all things necessary to make the Series 2021 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid lien on the Trust Estate and a valid pledge of the revenues and receipts herein described in accordance with the terms hereof, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of such Series 2021 Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THE PARTIES HERETO FURTHER DECLARE:

GRANTING CLAUSES

That the Issuer, in consideration of the mutual covenants herein contained, and as security for the Series 2021 Bonds and any Additional Bonds issued hereunder (collectively, the “**Bonds**”), and for the payment of all other sums required to be paid hereunder, does hereby grant a security interest in, release, assign, transfer and pledge unto the Trustee, and its successors and assigns forever, for the benefit of the Owners and future Owners of the Bonds issued hereunder, the following described property:

a. (i) All moneys and obligations which are deposited or required to be deposited in the Bond Fund, the Entrance Fee Fund, the Special Redemption Fund, the Project Fund, the Debt Service Reserve Fund, the Operating Reserve Fund, the Renewal Fund, the Working Capital Fund (until the release and closure of the Working Capital Fund upon Stabilization) or any other fund established under this Indenture (except the Rebate Fund), (ii) all other moneys or obligations which at such time are deposited or are required to be deposited with, or are held or required to be held by or on behalf of, the Trustee in trust under any of the provisions of this Indenture and any other right, title or interest which at such time is subject to the lien of this

Indenture, except for moneys or obligations deposited with or paid to the Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VII hereof, and (iii) all rights and interests of Issuer in and to the Loan Agreement (except Unassigned Rights) and the Promissory Notes;

b. The Series 2021 Obligations issued by the Institution, as the Obligated Group;

c. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder (except moneys and securities in the Rebate Fund), by the Issuer or by anyone in its behalf or with its written consent or by the Institution in favor of the Trustee, which is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged, assigned and conveyed by the Issuer as aforesaid, or intended so to be, unto the Trustee and its successors in the trust and its assigns forever.

In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time: (a) this Indenture shall constitute a contract among the Issuer, the Trustee and the Owners from time to time of the Bonds, and (b) the pledge made in this Indenture and the covenants set forth herein to be performed by the Issuer shall be for the equal and ratable benefit, security and protection of all Owners of the Bonds without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, (a) shall pay or cause to be paid the principal of, redemption premium, if any, and interest on the Bonds at the times and in the manner mentioned in the Bonds or shall provide, as permitted hereby, for the payment thereof, (b) shall perform and observe all the covenants to be performed and observed by it hereunder, and (c) shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the Loan Agreement, then upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that the Issuer hereby agrees and covenants with the Trustee for the equal and proportional benefit of the respective Owners of the said Bonds or any part thereof, and the Trustee hereby accepts and agrees to accept and discharge such trusts from time to time, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definition of Terms. All of the capitalized terms used in this Indenture and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Schedule A and made a part hereof.

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) All references herein to particular articles or sections, unless otherwise provided, are references to articles or sections of this Indenture.

(d) The headings herein are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorized Amount of Bonds; Minimum Denominations; Interest Rate; Maturity Dates.

(a) No Bonds may be authenticated and issued under the provisions of this Indenture except in accordance with this Article II. Except as otherwise provided in Section 2.09 or Section 2.14 hereof, the aggregate principal amount of the Series 2021 Bonds which may be authenticated and issued under this Indenture is [] (\$[]). The authorized denomination of the Series 2021 Bonds authorized and issued under this Indenture is \$5,000 or any integral multiple of \$5,000 in excess thereof.

(b) The Series 2021A Bonds shall be dated March __, 2021, and shall bear interest from such date, payable semi-annually thereafter on January 1 and on July 1 in each year, commencing on July 1, 2021, at the rates shown below and shall mature on the dates and in the principal amounts shown below:

<u>Series 2021A Bonds</u>		
	<u>Serial Bonds</u>	
<u>Maturity Date</u> <u>[(July 1)]</u>	<u>Amount</u>	<u>Interest Rate</u>
	\$	

	<u>Term Bond</u>	
<u>Maturity Date</u> <u>[(July 1)]</u>	<u>Amount</u>	<u>Interest Rate</u>
	\$	

(c) The Series 2021B Bonds shall be dated March __, 2021, and shall bear interest from such date, payable semi-annually thereafter on January 1 and on July 1 in each year, commencing on July 1, 2021, at the rates shown below and shall mature on the dates and in the principal amounts shown below:

<u>Series 2021B Bonds</u>		
	<u>Amount</u>	<u>Interest Rate</u>
<u>Maturity Date</u> <u>[(July 1)]</u>		
	\$	

(e) The Series 2021C Bonds shall be dated March __, 2021, and shall bear interest from such date, payable semi-annually thereafter on January 1 and on July 1 in each year, commencing on July 1, 2021, at the rates shown below and shall mature on the dates and in the principal amounts shown below:

<u>Series 2021C Bonds</u>		
	<u>Amount</u>	<u>Interest Rate</u>
<u>Maturity Date</u> <u>[(July 1)]</u>		
	\$	

(f) Except as provided in Section 2.14 hereof with respect to Additional Bonds, the Series 2021 Bonds may be issued only for the purpose of providing funds to finance the Project.

Section 2.03. Installments, Interest Rates and Certain Other Provisions. The Series 2021 Bonds shall be issued in the form of fully registered Bonds without coupons having installments of principal and interest due at the times, and bearing interest, all as described in the applicable form of Series 2021 Bond with respect thereto. The Series 2021 Bonds shall be issued in the form set forth in the Form of Series 2021 Bonds set forth as Exhibit A hereto. Any Series of Additional Bonds shall be issued in the form set forth in the Form of Bond attached to the Supplemental Indenture executed and delivered in connection with the issuance of such Additional Bonds. The Series 2021 Bonds shall be payable at the places and in the manner set forth in said Form of Series 2021 Bond. Notwithstanding anything contained in this Indenture to

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the contrary, interest on the Series 2021 Bonds due on any Debt Service Payment Date shall be payable to the Person in whose name such Series 2021 Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date, irrespective of any transfer or exchange of such Series 2021 Bond subsequent to such Record Date and prior to such Debt Service Payment Date, unless the Issuer shall default in the payment of interest due on such Debt Service Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such Series 2021 Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to the Owners of the Series 2021 Bonds not less than fifteen (15) days preceding such special record date. Such notices shall be mailed to the Persons in whose name the Series 2021 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on the Series 2021 Bonds will be made by (i) check or draft mailed to the registered address of the Person entitled thereto, or (ii) by wire transfer to any Owner of Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date.

Section 2.04. Execution; No Recourse; Special Obligations.

(a) The Series 2021 Bonds shall be executed in the name of and on behalf of the Issuer by the manual, electronic or facsimile signature of its Chief Executive Officer, executive Director or Chairman. Each such facsimile signature shall have the same force and effect as if manually signed. In case any officer whose manual or facsimile signature shall appear on the Series 2021 Bonds shall cease to be such officer before the delivery of such Series 2021 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery; and any Bond may be signed on behalf of the Issuer, manually or in facsimile, by the person who, on the date of execution of such Series 2021 Bond, shall be the proper officer of the Issuer, although on the date of execution of this Indenture such person was not such officer.

(b) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Issuer Documents and in the other documents and instruments connected therewith shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, agent or employee of the Issuer in her or his individual capacity, and no recourse under or upon any obligation, covenant or agreements contained in the Issuer Documents and the Series 2021 Bonds or otherwise based upon or in respect to the Issuer Documents and the Series 2021 Bonds or any documents supplemental hereto or thereto, or for any of the Series 2021 Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent or employee, as such, of the Issuer, or of any successor local development corporation, public benefit corporation or political subdivision, or any person executing the Issuer Documents and the Series 2021 Bonds either directly or through the Issuer or any successor local development corporation, public benefit corporation or political subdivision, it being expressly understood that the Issuer Documents and the Series 2021 Bonds are solely special obligations, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, any such member, officer, agent or employee of the Issuer or of any such successor local development corporation, public benefit corporation or political subdivision, or any person executing the Bonds, because of the creation of the indebtedness authorized thereby, or under or

by reason of the obligations, covenants or agreements contained in the Issuer Documents or in any of the Series 2021 Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent or employee because of the indebtedness authorized hereby, or under or by reason of the obligations, covenants or agreements contained in the Issuer Documents or in any of the Series 2021 Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Issuer Documents and the issuance of the Bonds.

(c) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including the Town of Huntington), and neither the State nor any municipality or political subdivision thereof (including the Town of Huntington) shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the amounts derived and to be derived under the Loan Agreement.

Section 2.05. Authentication. No Series 2021 Bond shall be valid for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Series 2021 Bond a Certificate of Authentication, duly executed by the manual, electronic or facsimile signature of the Trustee, substantially in the form set forth in the Form of Series 2021 Bonds included herein as Exhibit A. No Series of Additional Bonds shall be valid for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Additional Bond a Certificate of Authentication, duly executed by the manual, electronic or facsimile signature of the Trustee, substantially in the form set forth in the forms included as Exhibit A to the Supplemental Indenture executed and delivered in connection with the issuance of such Series of Additional Bonds. Such executed Certificate of Authentication by the Trustee upon any such Series 2021 Bond or any Series of Additional Bonds shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 2.06. Form of Series 2021 Bonds. All Series 2021 Bonds issued under this Indenture, the Trustee's Certificate of Authentication and the provisions for assignment endorsed thereon shall be substantially in the Form of Series 2021 Bonds set forth as Exhibit A attached hereto, or, with respect to Additional Bonds, in the form attached to the Supplemental Indenture executed and delivered in connection with such Additional Bonds with such appropriate variations, omissions and insertions as are permitted or required by this Indenture, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws, rules or regulations.

Section 2.07. Authorization and Preparation of Bonds. Definitive Series 2021 Bonds shall be prepared, executed and delivered to the Trustee.

Section 2.08. Delivery of Series 2021 Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Series 2021 Bonds to the Trustee, and the Trustee shall authenticate the Series 2021 Bonds and deliver them to the Owners in accordance with the directions of the Issuer and the provisions of this Section 2.08.

(b) Prior to or simultaneously with the delivery by the Trustee of any of the Series 2021 Bonds or any Series of Additional Bonds, there shall be filed with the Trustee and the Issuer at least:

- (i) Original executed counterparts of each of the Bond Documents;
- (ii) A certified copy of the resolution duly adopted by the Board of Directors of the Institution authorizing the execution and delivery of the Institution Documents;
- (iii) A copy, duly certified by the Secretary of the Issuer, of the resolution or resolutions adopted by the Issuer authorizing the execution and delivery of the Issuer Documents and the issuance, execution, sale and delivery of the applicable Series of Bonds;
- (iv) Opinions of counsel for the Institution, in form reasonably satisfactory to the Issuer, Bond Counsel, the Trustee and the Underwriter, stating that, among other things, in the opinion of counsel for the Institution, each of the Institution Documents have been duly authorized by and lawfully executed and delivered on behalf of the Institution, are in full force and effect and are valid and binding upon the Institution, in accordance with their terms, except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights and that the Institution is an Exempt Organization;
- (v) An opinion of counsel for the Issuer stating that, among other things, in the opinion of such counsel, each of the Bond Documents to which the Issuer is a party has been duly authorized by and lawfully executed and delivered on behalf of the Issuer, is in full force and effect and is valid and binding upon the Issuer in accordance with its terms, and that this Indenture creates any lien which it purports to create;
- (vi) An opinion or opinions of Bond Counsel stating that, among other things, in the opinion of such Bond Counsel (A) the Issuer is duly authorized and entitled to issue the applicable Series of Bonds, (B) the applicable Series of Bonds has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding special obligation of the Issuer, and (C) under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes and exempt from personal income taxes imposed by the State and any political subdivision thereof, except under certain conditions to be more fully expressed in such opinion;
- (vii) An authorization to the Trustee, signed by an Authorized Representative of the Issuer, to authenticate and deliver the Bonds to the Owners; and

(viii) A rating letter from each Rating Agency, if any, issuing a rating on the applicable Series of Bonds.

Section 2.09. Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Series 2021 Bond or Additional Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, series, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every new Bond issued pursuant to the provisions of this Section 2.09 shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time after the issuance of such new Bonds, in which case the destroyed, lost or stolen Bond shall be void and unenforceable) and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued under this Indenture.

(c) All Series 2021 Bonds or Additional Bonds shall be held and owned upon the express condition that the provisions of this Section 2.09 are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

Section 2.10. Negotiability of Bonds and Registration Books.

(a) All Series of Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and transfer contained in this Indenture and in such Series of Bonds.

(b) So long as any Series of Bonds shall remain Outstanding, the Issuer shall maintain, at the Office of the Trustee, books for the registration and transfer of such Series of Bonds. The Trustee is hereby appointed Bond Registrar for the Issuer for the purpose of registering and making transfers on such registration books for each Series of Bonds issued

hereunder. By executing this Indenture, the Trustee accepts the duties and obligations of Bond Registrar for the Issuer. The Trustee, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Trustee may prescribe, any Series of Bonds entitled to registration or transfer.

Section 2.11. Transfer of Bonds.

(a) Each Bond shall be transferable only on the books of the Issuer and upon surrender of the Bond, at the Office of the Trustee, together with a written instrument of transfer, satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any registered Bond, the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of the same Series, aggregate principal amount and maturity and rate of interest as the surrendered Bond.

(b) The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such Bond shall be overdue or not for the purpose of receiving payment of the principal of or Redemption Price of, and, except as otherwise provided in Section 2.03 hereof, interest on such Bond and for all other purposes. All such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

Section 2.12. Regulations with Respect to Exchanges and Transfers.

(a) In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver the Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any exchanges or transfers shall forthwith be canceled in accordance with the provisions of Section 5.12 hereof. For every exchange or transfer of the Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) the cost of preparing each new Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

(b) Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any Bond during the ten (10) days next preceding (i) a Debt Service Payment Date, or (ii) in the case of any proposed redemption of Bonds, the date of the first mailing of notice of such redemption.

(c) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any security (including any transfers between or among depository participants or beneficial owners of interests in any global security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.13. Book-Entry Bonds.

(a) Except as provided in Section 2.13(c) or in a Supplemental Indenture with respect to any Series of Additional Bonds, the Holder of all of the Series 2021 Bonds shall be DTC (the "Securities Depository") and the Series 2021 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Series 2021 Bonds registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Debt Service Payment Date for the Series 2021 Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Trustee. It is anticipated that during the term of the Series 2021 Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, Redemption Price of, and interest on, the Series 2021 Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in Section 2.13(c).

(b) The Series 2021 Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each Series and maturity thereof. Upon initial issuance, the ownership of such Series 2021 Bonds shall be registered in the registration books of the Issuer kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Issuer shall treat DTC (or its nominee) as the sole and exclusive Holder of the Series 2021 Bonds registered in its name for the purposes of payment of the principal of, Redemption Price of or interest on the Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Series 2021 Bonds, obtaining any consent or other action to be taken by Holders of the Series 2021 Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the Institution nor the Issuer shall be affected by any notice to the contrary. All notices with respect to such Series 2021 Bonds shall be made and given, respectively, to DTC as provided in the DTC Letter of Representations. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other Person that is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal of, Redemption Price of or interest on the Series 2021 Bonds; any notice that is permitted or required to be given to Bondholders under this Indenture or any other Bond Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2021 Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of, Redemption Price of, and interest on the Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of, Redemption Price of, and interest on the Series 2021 Bonds to the extent of the sum or sums so paid. Except as otherwise provided in Section 2.13(c) or in a Supplemental Indenture with respect to a Series of Additional Bonds, no Person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the Issuer to make payments of principal of, Redemption Price of, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to

substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Series 2021 Bonds, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Issuer determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the Issuer may notify DTC and the Trustee in writing, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event, the Trustee shall issue, transfer and exchange Series 2021 Bond certificates as requested by DTC in writing in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds at any time by giving written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Trustee shall be obligated to deliver Series 2021 Bond certificates as described in this Indenture. In the event Bond certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, Redemption Price of, and interest on such certificates. Whenever DTC requests the Issuer and the Trustee to do so in writing, the Issuer will direct the Trustee (at the sole cost and expense of the Institution) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2021 Bonds to any DTC Participant having Series 2021 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2021 Bonds.

(d) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Bond Document by the Issuer or the Trustee with respect to any consent or other action to be taken by Bondholders, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(e) NONE OF THE ISSUER, THE INSTITUTION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITIES OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021 BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO SERIES 2021 BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS.

(f) SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE SERIES 2021 BONDHOLDERS OR REGISTERED HOLDERS OF THE SERIES 2021 BONDS SHALL

MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021 BONDS.

(g) For so long as the Holder of all of the Series 2021 Bonds shall be DTC, and all Series 2021 Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Series 2021 Bonds upon redemption or retirement in whole and (ii) unless all Series 2021 Bonds are being redeemed or retired in whole, Series 2021 Bonds shall not be required to be presented to the Trustee for payment of principal of, or Redemption Price except upon final maturity or redemption in whole.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended (the "**1934 Act**"), the Issuer may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the 1934 Act, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Series 2021 Bond or Series 2021 Bonds for cancellation shall cause the delivery of a Series 2021 Bond or Series 2021 Bonds to the successor Securities Depository in appropriate authorized denominations and form as provided herein.

Section 2.14. Additional Bonds. (a) So long as this Indenture is in effect, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing additional costs with respect to the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions, renovations, equipment, improvements or facilities to the Facility, (iv) refunding Outstanding Bonds or other Indebtedness of the Institution, or (v) refunding any other Indebtedness or bonds for which the Institution is the primary obligor, or for which the Institution is responsible for paying the debt service payments in connection therewith, or which the Institution has guaranteed (including, without limitation, any other debt issued under the Master Indenture). Such Additional Bonds shall be payable from the amounts payable under the Loan Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement or a new loan agreement (either such option, a "**New Loan Agreement**") providing, among other things, that the payments payable under the New Loan Agreement shall be computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith.

(b) Each such Series of Additional Bonds shall be deposited with the Bond Registrar and thereupon shall be authenticated by the Authenticating Agent. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be delivered by the Bond Registrar at the direction of the Trustee to or upon the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(i) a copy of the resolution, duly certified by the Chief Executive Officer, Executive Director or Chairman, of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and the New Loan Agreement;

(ii) original executed counterparts of the Supplemental Indenture and the New Loan Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture and the New Loan Agreement, the project referred to therein and the premises financed or refinanced thereunder shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Series 2021 Bonds now being issued and any Additional Bonds theretofore issued;

(iii) a written opinion of Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(iv) a certificate of an Authorized Representative of the Institution to the effect that each Bond Document, as amended, to which it is a party continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(v) an original, executed counterpart of the amendment to each Bond Document with respect to such Additional Bonds;

(vi) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any; and

(vii) certificate of the Chief Financial Officer of the Institution evidencing that the issuance of such Series of Additional Bonds complies with Section 8.13 of the Loan Agreement.

(c) (i) Upon the written request of the Institution, one or more Series of Additional Bonds may be authenticated and delivered upon original issuance to refund ("**Refunding Bonds**") all Outstanding Bonds or any part of Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Refunding Bonds. In the case of the refunding under this Section 2.14 of less than all Bonds Outstanding, the Trustee shall proceed to select such Bonds in accordance with Section 3.03 hereof.

(ii) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.14(b) hereof, as may be applicable) of:

(A) Irrevocable written instructions from the Issuer to the Trustee, at least forty-five (45) days prior to the Redemption Date, satisfactory to the Trustee, to

give due notice of redemption pursuant to Section 3.02 hereof to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the Redemption Date specified in such instructions;

(B) Either:

(1) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price, together with accrued interest on such Bonds to the maturity or Redemption Date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, which moneys shall be held in trust and used as provided in Section 7.01 hereof, or

(2) Government Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Section 7.01 hereof, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Government Obligations and moneys shall be held in trust and used only as provided in said Section 7.01.

(iii) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Government Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2021 Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) Notwithstanding anything herein to the contrary, no Series of Additional Bonds shall be issued unless: (i) at the time of issuance of such Series of Additional Bonds and after the application of proceeds thereof, there is no Event of Default under any Bond Document; (ii) the Loan Agreement is in effect and at the time of issuance there is no Event of Default under any such document nor any event which upon notice or lapse of time or both would become such an Event of Default; and (iii) the Rating Agency, if any, has confirmed in writing that the issuance of such Additional Bonds will not result in a reduction or withdrawal of the then current rating on the Bonds Outstanding.

(f) The Supplemental Indenture providing for the issuance of any Series of Additional Bonds shall contain applicable provisions for the payment of principal of, Redemption Price of, and interest on such Series of Additional Bonds including any interest rate

modes applicable to such Series of Additional Bonds, redemption provisions applicable to such Series of Additional Bonds, such Funds, Accounts or subaccounts to be created or held by the Trustee under Article IV hereof with respect to such Series of Additional Bonds, collateral and security (including credit facilities securing such Series of Additional Bonds) and such other terms and provisions as the Issuer may determine are necessary in connection with the issuance of such Additional Bonds.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS BEFORE MATURITY

Section 3.01. Redemption Dates and Prices.

(a) The Series 2021 Bonds shall be subject to redemption prior to the respective maturities thereof on the terms and at the prices set forth in subsections (b), (c), (d) and (e) of this Section 3.01.

(b) (i) The Series 2021A Bonds maturing on or after July 1, [20__], are subject to redemption by the Issuer, at the option of the Institution, on or after July 1, 2026, in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
July 1, 2026 through June 30, 2027	104%
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

(ii) The Series 2021B Bonds and Series 2021C Bonds are not subject to optional redemption prior to their respective maturity dates.

The Institution may direct such prepayment only if it shall prepay an amount under the Loan Agreement equal to the amount of the prepayment price described above.

(c) The Series 2021 Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Facility shall be on deposit in the Bond Fund pursuant to Section 7.1(a)(iii)(B) or 7.2(a)(iii)(B) of the Loan Agreement; or

(ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to Section 4.04(c) hereof.

(d) (i) The Series 2021A Bonds maturing on or after July 1, 20[___] are subject to mandatory redemption in part commencing on July 1, 20[___] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be

redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>July 1</u>	

*

*Final Maturity TOTAL \$

(ii) The Series 2021B Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “**Series 2021B Entrance Fee Redemption Date**”) at the principal amount thereof being redeemed plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021B Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021B Bonds on any Series 2021B Entrance Fee Redemption Date shall not constitute an Event of Default under this Indenture or under the Loan Agreement. Notwithstanding the foregoing, no Series 2021B Entrance Fee Redemption shall be made so long as any Series 2021C Bonds remain Outstanding.

(iii) The Series 2021C Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “**Series 2021C Entrance Fee Redemption Date**”, and together with the Series 2021B Entrance Fee Redemption Dates, the “**Entrance Fee Redemption Dates**”) at the principal amount thereof plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021C Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021C Bonds on any Series 2021C Entrance Fee Redemption Date shall not constitute an Event of Default under this Indenture or under the Loan Agreement or this Indenture.

(e) The Series 2021 Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Institution of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the Institution, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

(f) The Institution shall have the option to cause any Series 2021 Bonds to be purchased by the Institution, or its designee, in lieu of redemption pursuant to Section 3.01(b) hereof. Such option may be exercised by delivery to the Trustee of a written notice of the Institution specifying that the Series 2021 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture. Upon delivery of such notice, the Series 2021 Bonds shall not be redeemed but shall be purchased at a price equal to the redemption price specified above, and if so purchased, the Series 2021 Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided herein. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Series 2021 Bonds for federal tax purposes.

(f) Any Series of Additional Bonds shall be subject to redemption prior to the maturity thereof on the terms and at the prices set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Section 3.02. Notice of Redemption.

(a) The Trustee shall call Series 2021 Bonds for redemption as provided in subsections (b), (c) or (e) of Section 3.01 hereof upon receipt of notice from the Issuer or the Institution directing such redemption, which notice shall be sent to the Trustee at least forty-five (45) days prior to the Redemption Date specified in such notice and shall specify (i) the principal amount of Series 2021 Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions of Section 3.01 hereof pursuant to which such Series 2021 Bonds are to be called for redemption. The Trustee shall call the Series 2021 Bonds for redemption as provided in Section 3.01(d)(i) hereof for the applicable Sinking Fund Payment dates and Section 3.01(d)(ii) and Section 3.01(d)(iii) hereof for the applicable Entrance Fee Redemption dates without need for direction from the Institution or the Issuer.

(b) When the Series 2021 Bonds are to be redeemed pursuant to Section 3.01 hereof, the Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Issuer stating: (i) the Series 2021 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of

redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

(c) Notice required by subsection (b) of this Section 3.02 shall be given by mail at least thirty (30) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2021 Bonds.

(d) Notwithstanding any other provision of this Indenture, any notice of redemption given with respect to a Book Entry Bond shall comply with the requirements for notice contained in the Depository Letter from the Issuer to the Depository relating to such Book Entry Bond. Notice of any redemption hereunder with respect to Bonds held under a Book Entry System shall be given by the Bond Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

Section 3.03. Payment of Redeemed Series 2021 Bonds.

(a) After notice shall have been given in the manner provided in Section 3.02 hereof, the Series 2021 Bonds or portions thereof called for redemption shall become due and payable on the Redemption Date so designated. Upon presentation and surrender of such Series 2021 Bonds at the Office of the Trustee, such Series 2021 Bonds shall be paid at the Redemption Price, plus accrued interest to the Redemption Date.

(b) If, on the Redemption Date, moneys for the redemption of all the Series 2021 Bonds or portions thereof to be redeemed, together with interest thereon to the Redemption Date, shall be held by the Trustee so as to be available therefor on such date, the Series 2021 Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2021 Bonds or portions thereof shall no longer be Outstanding hereunder or be secured by or be entitled to the benefits of this Indenture except with respect to payment of the Redemption Price thereof and accrued interest thereon to the Redemption Date. If such moneys shall not be so available on the Redemption Date, such Series 2021 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Indenture.

(c) In the event that redemption of the Series 2021 Bonds is made in an amount less than the amount of all Series 2021 Bonds having the same maturity, all Series 2021 Bonds having the same maturity shall be redeemed pro rata. In the event of the redemption of less than all of the Series 2021 Bonds stated to mature on different dates, the principal amount of such Series 2021 Bonds to be redeemed shall be selected by the Institution in writing to the Trustee or, if no such selection is made, shall be applied in inverse order of maturity of the Outstanding Series 2021 Bonds to be redeemed and by lot within a maturity.

ARTICLE IV

FUNDS, REVENUES, BOND PROCEEDS AND APPLICATION THEREOF

Section 4.01. Establishment of Funds. The following trust funds are hereby established with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with this Indenture:

(a) Town of Huntington Local Development Corporation Bond Fund – Gurwin Independent Housing, Inc. (the “**Bond Fund**”), and within such Bond Fund, an “Interest Account” and a “Principal Account” and within such Interest Account and Principal Account, Subaccounts for the Series 2021A Bonds, the Series 2021B Bonds and the Series 2021C Bonds and each Series of Additional Bonds issued hereunder.

(b) Town of Huntington Local Development Corporation Project Fund – Gurwin Independent Housing, Inc. (the “**Project Fund**”), and within such Project Fund, a “Construction Account”, a “Costs of Issuance Account” and a “Capitalized Interest Account”; and within such Capitalized Interest Account, Subaccounts for the Series 2021A Bonds, the Series 2021B Bonds and the Series 2021C Bonds.

(c) Town of Huntington Local Development Corporation Entrance Fee Fund – Gurwin Independent Housing, Inc. (the “**Entrance Fee Fund**”).

(d) Town of Huntington Development Corporation Renewal Fund – Gurwin Independent Housing, Inc. (the “**Renewal Fund**”).

(e) Town of Huntington Local Development Corporation Rebate Fund – Gurwin Independent Housing, Inc. (the “**Rebate Fund**”) and within such Rebate Fund, an Account for the Series 2021 Bonds and each Series of Additional Bonds issued hereunder.

(f) Town of Huntington Local Development Corporation Special Redemption Fund – Gurwin Independent Housing, Inc. (the “**Special Redemption Fund**”).

(g) Town of Huntington Local Development Corporation Debt Service Reserve Fund – Gurwin Independent Housing, Inc. (the “**Debt Service Reserve Fund**”) and within such Debt Service Reserve Fund, an Account for the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds and each Series of Additional Bonds issued hereunder.

(h) Town of Huntington Local Development Corporation Operating Reserve Fund – Gurwin Independent Housing, Inc. (the “**Operating Reserve Fund**”).

(i) Town of Huntington Local Development Corporation Working Capital Fund – Gurwin Independent Housing, Inc. (the “**Working Capital Fund**”).

(j) Upon the issuance of any Series of Additional Bonds pursuant to Section 2.14 hereof, the Supplemental Indenture entered into with respect to such Series of Additional Bonds shall create such Funds and Accounts and/or Subaccounts within any Account with respect to such Series of Bonds.

Section 4.02. Application of Bond Proceeds and Allocation Thereof.

(a) Upon the receipt of the Bond Proceeds of the (i) Series 2021A Bonds in the amount of \$[____], which is equal to the par amount of the Series 2021A Bonds of \$[____], [plus/less] net [premium/discount] of \$[____], less the Underwriters discount in the amount of \$[____], (ii) Series 2021B Bonds in the amount of \$[____], which is equal to the par amount of the Series 2021B Bonds of \$[____], [plus/less] net [premium/discount] of \$[____], less the Underwriters discount in the amount of \$[____], and (iii) Series 2021C Bonds in the amount of \$[____], which is equal to the par amount of the Series 2021C Bonds of \$[____], [plus/less] net [premium/discount] of \$[____], less the Underwriters discount in the amount of \$[____], the Issuer shall pay the Trustee the Bond Proceeds of such Series 2021 Bonds for deposit as follows:

(i) In the Construction Account of the Project Fund: the amount of \$[____], be deposited into the Construction Account of the Project Fund to pay Costs of the Project; and

(ii) In the Capitalized Interest Account of the Project Fund: the amount of \$[____], be deposited into the Series 2021A Bonds Subaccount of the Capitalized Interest Account of the Project Fund to pay interest on the Series 2021A Bonds during the Construction Period; \$[____], be deposited into the Series 2021B Bonds Subaccount of the Capitalized Interest Account of the Project Fund to pay interest on the Series 2021B Bonds during the Construction Period; and the amount of \$[____], be deposited into the Series 2021C Bonds Subaccount of the Capitalized Interest Account of the Project Fund to pay interest on the Series 2021C Bonds during the Construction Period; and

(iii) In the Cost of Issuance Account of the Project Fund: the amount of \$[____], representing the remainder of the Bond Proceeds of the Series 2021 Bonds, be deposited into the Cost of Issuance Account of the Project Fund to pay cost of issuance of the Series 2021 Bonds.

(b) The Trustee shall deposit in the Entrance Fee Fund the amount of \$[____], of Entrance Fees transferred by the Institution to the Trustee.

(c) In the Account of the Debt Service Reserve Fund for the Series 2021A Bonds: The amount of \$[____], equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021A Bonds, shall be deposited in the Account of the Debt Service Reserve Fund for the Series 2021A Bonds.

(d) In the Account of the Debt Service Reserve Fund for the Series 2021B Bonds: The amount of \$[____], equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021B Bonds, shall be deposited in the Account of the Debt Service Reserve Fund for the Series 2021B Bonds.

(e) In the Account of the Debt Service Reserve Fund for the Series 2021C Bonds: The amount of \$[____], equal to the Debt Service Reserve Fund Requirement with

respect to the Series 2021C Bonds, shall be deposited in the Account of the Debt Service Reserve Fund for the Series 2021C Bonds.

(f) In the Working Capital Fund: The amount of \$1,400,000, equal to the amount of bond proceeds available for working capital purposes], shall be deposited in the Working Capital Fund.

(g) Proceeds of any Additional Bonds shall be applied in accordance with the Supplemental Indenture related to such Additional Bonds.

Section 4.03. Moneys to Be Held in Trust. All moneys deposited with, paid to or received by the Trustee for the accounts of the Issuer (other than amounts deposited in the Rebate Fund) shall be held by the Trustee in trust, and shall be subject to the lien of this Indenture and held for the security of the Owners of the particular Series of Bonds until paid in full; provided, however, that moneys which have been deposited with, paid to or received by the Trustee (i) for the redemption of a portion of the particular Series of Bonds, notice of the redemption of which has been given, or (ii) for the payment of the particular Series of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and subject to a lien in favor of only the Owners of such Series of Bonds so called for redemption or so due and payable.

Section 4.04. Use of the Moneys in Project Fund.

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of this Section and of the Loan Agreement and particularly Section 4.3 thereof.

(b) Except as otherwise provided in paragraph (a) immediately above, the Trustee is hereby directed to issue its checks or send its wires for each disbursement from the Construction Account and the Costs of Issuance Account of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Representative of the Institution substantially in the form of Exhibit B annexed hereto. On or before each Interest Payment Date, the Trustee shall transfer from the Series 2021A Subaccount of the Capitalized Interest Account to the Series 2021A Subaccount of the Interest Account of the Bond Fund an amount sufficient to pay interest on the Series 2021A Bonds, from the Series 2021B Subaccount of the Capitalized Interest Account to the Series 2021B Subaccount of the Interest Account of the Bond Fund an amount sufficient to pay interest on the Series 2021B Bonds, and the Trustee shall transfer from the Series 2021C Subaccount of the Capitalized Interest Account to the Series 2021C Subaccount of the Interest Account of the Bond Fund an amount sufficient to pay interest on the Series 2021C Bonds. After all Costs of Issuance of the Series 2021 bonds have been paid, the Trustee shall upon the written direction of the Institution, transfer all remaining amounts on deposit in the Costs of Issuance Account of the Project Fund to the Construction Account of the Project Fund. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(c) The completion of the Project and payment or provision for payment of all of the Costs of the Project shall be evidenced by the filing with the Trustee of the Completion

Certificate required by Section 4.4 of the Loan Agreement. As soon as practicable and in any event not more than sixty (60) days after the date of the filing with the Trustee of the certificate referred to in the preceding sentence, any balance remaining in the Accounts of the Project Fund, except amounts that the Institution shall have directed the Trustee, in writing, to retain for any Costs of the Project not then due and payable, and after the making of any transfer to the Rebate Fund that the Institution shall have directed the Trustee, in writing, to make as required by the Tax Compliance Agreement and Section 4.09 hereof, shall without further authorization be transferred to the applicable corresponding Subaccounts of the Accounts of the Bond Fund and thereafter applied as provided in Section 4.06(d) hereof.

(d) Within sixty (60) days after transfer of the balance in the Project Fund to the Bond Fund, the Trustee shall file an accounting thereof with the Issuer and the Institution.

(e) All earnings, if any, on amounts held in the Construction Account of the Project Fund prior to the Completion Date shall be transferred by the Trustee to the Capitalized Interest Accounts of the Project Fund for each Series of Series 2021 Bonds, pro rata based on principal amount then Outstanding for each Series of Series 2021 Bonds, and applied as set forth in Section 4.04(b) hereof. All earnings, if any, on amounts held in any other Account in the Project Fund which have been expended for the purposes of such Account, shall be retained in the respective Account of the Project Fund until the Completion Date. Any transfers by the Trustee of amounts to the Rebate Fund (only at the written direction of the Institution) shall be drawn by the Trustee from the Project Fund.

(f) If an Event of Default hereunder shall have occurred and the outstanding principal amount of the Series 2021 Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the Institution pursuant to the Tax Compliance Agreement and Section 4.09 hereof, shall be transferred to the corresponding applicable Subaccounts of the Accounts of the Bond Fund and applied as provided in Section 8.05 hereof.

Section 4.05. Payments into Bond Fund. There shall be deposited in the Subaccounts of the Accounts of the Bond Fund, as and when received (a) all payments received by the Trustee under Section 5.3(b) of the Loan Agreement or any similar provision in the New Loan Agreement with respect to the payment of debt service on any Series of Additional Bonds; (b) the amount of net income or gain received from the investments of moneys in the Bond Fund and all Funds and Accounts (other than the Rebate Fund) held under this Indenture after the Completion Date; (c) amounts transferred from the Capitalized Interest Account of the Project Fund in accordance with Section 4.04(b) hereof, (d) the Net Proceeds derived from insurance proceeds or Condemnation awards to be used to redeem the Bonds pursuant to 7.1(a)(iii)(B) and 7.2(a)(iii)(B), respectively, of the Loan Agreement and transferred from the Renewal Fund pursuant to Section 4.11(b) and (c) hereof; (e) amounts transferred pursuant to Section 9.1 of the Loan Agreement, (f) amounts transferred from the applicable Account of the Debt Service Reserve Fund pursuant to Section 4.12 hereof with respect to the applicable Series of the Series 2021 Bonds or with respect to any other Series of Bonds for which an Account of the Debt Service Reserve Fund has been established and funded, and (f) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or this Indenture and designated for deposit in the Bond Fund.

Section 4.06. Use of Moneys in Bond Fund.

(a) Except as otherwise expressly provided in this Indenture, moneys in the Subaccounts of the Accounts of the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the Series 2021 Bonds or for the purchase or redemption of related Series of Bonds as hereinafter provided. Moneys deposited in the Subaccounts of the Accounts of the Bond Fund in accordance with the provisions of Section 4.04(c), Section 4.11(b), and Section 4.11(c) of this Indenture, however, may not be used for the payment of interest on the Series 2021 Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date, pay out of the monies then held for the credit of the applicable Subaccount of the Interest Account the amounts required for the payment of interest becoming due on the respective series of Bonds on such Debt Service Payment Date, and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of interest.

(c) The Trustee shall, on or before each Debt Service Payment Date, when principal of the Bonds or Sinking Fund Payments are due, pay out of the monies then held for the credit of the Subaccounts of the Principal Account the amounts required for the payment of principal or Sinking Fund Payments becoming due at maturity, on a Sinking Fund Payment Date, or upon redemption of the respective Series of Bonds on such Debt Service Payment Date or Sinking Fund Payment Date and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of principal or Sinking Fund Payments.

(d) Except as provided in the Tax Compliance Agreement, moneys transferred to the corresponding Subaccounts of the Accounts of the Bond Fund from the Construction Account of the Project Fund or another other Account of the Project Fund established in connection with another Series of Tax-Exempt Bonds pursuant to Section 4.04(c) hereof, from the Renewal Fund pursuant to Section 4.11(b) hereof or transferred to the Subaccounts of the Accounts of the Bond Fund pursuant to Section 9.1 of the Loan Agreement shall be invested, at the written direction of the Institution, with yield not in excess of the yield on the applicable Series of Tax-Exempt Bonds, or in investments that are tax-exempt obligations as described in Section 148(b)(3) of the Code, and such moneys and earnings thereon shall be applied only to pay the principal of the applicable Series of Tax-Exempt Bonds as they become due and payable or the Redemption Price of Bonds subject to redemption pursuant to Section 3.01 hereof (including by operation of Sinking Fund Payments).

(e) In the event there shall be on any Debt Service Payment Date, a deficiency in the Bond Fund (a “**Payment Deficiency**”), with respect to any Series of the Series 2021 Bonds, the Trustee shall make up any such deficiency from the applicable Account Debt Service Reserve Fund to the extent of the amounts in such applicable Account of the Debt Service Reserve Fund, by the withdrawal of monies from the applicable account of the Debt Service Reserve Fund, to the extent available and by the sale or redemption of securities held in the applicable Account of the Debt Service Reserve Fund sufficient to make up any deficiency.

(f) The Trustee shall call Series 2021 Bonds for redemption according to Article III hereof, upon written direction of the Issuer or the Institution to the Trustee, on or after the date

the Bonds are subject to optional redemption pursuant to Section 3.01(b) hereof or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, whenever the assets of the Bond Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all the Series 2021 Bonds then Outstanding or to redeem the Series 2021 Bonds in part pursuant to Section 3.01(b) hereof or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, including accrued interest thereon to the Redemption Date.

(g) Moneys in the respective Subaccounts of the Accounts of the Bond Fund shall be used by the Trustee, upon written request of an Authorized Representative of the Institution, to purchase related Series 2021 Bonds on the most advantageous terms obtainable with reasonable diligence, provided that no such purchase shall be made:

- (i) if an Event of Default under the Loan Agreement has occurred and remains uncured in accordance with the terms set forth therein;
- (ii) within forty-five (45) days prior to any date on which such series of Series 2021 Bonds are subject to redemption pursuant to Section 3.01 of this Indenture or the relevant provisions of a Supplemental Indenture;
- (iii) if the amount remaining in the Bond Fund, after giving effect to such purchase, is less than the amount required for the payment of the principal or Redemption Price of the Series 2021 Bonds theretofore matured or called for redemption, plus interest to the date of maturity or the Redemption Date, as the case may be, in all cases where such Bonds have not been presented for payment; or
- (iv) at a price in excess of that specified by the Institution in its request to the Trustee, plus accrued interest to the date of purchase.

Notwithstanding the foregoing, each such purchase described above shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

The Trustee shall promptly notify the Issuer and the Institution of the principal amount and the maturity of each Series of Bonds so purchased and the balance held in the Bond Fund after such purchase.

(h) In connection with the purchase of the Series 2021 Bonds with moneys on deposit in the Bond Fund as provided in Section 4.06(g) of this Indenture, the Trustee shall negotiate or arrange for such purchases in such manner (through brokers or otherwise and with or without receiving tenders) as it shall be instructed in writing by the Institution.

(i) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Bonds, forty-five (45) days prior to any date on which the Bonds are subject to redemption pursuant to Section 3.01(b) of this Indenture or the relevant provisions of a Supplemental Indenture equals or exceeds \$50,000, the Trustee shall, upon written request of an Authorized Representative of the Institution, apply as much of such

balance as can be so applied to the redemption of the Series 2021 Bonds on such next succeeding Redemption Date in the manner provided in Section 3.01 hereof or the relevant provisions of a Supplemental Indenture. The Trustee shall promptly notify the Issuer and the Institution of the principal amount and maturity of each such Series 2021 Bond so redeemed and the balance held in the Bond Fund after such redemption.

(j) Whenever the amount in the respective Account or Subaccount in the Bond Fund is sufficient to redeem all of the Outstanding Series 2021 Bonds or any Series of Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the Institution, take and cause to be taken the necessary steps to redeem all such Bonds or Series of Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified by the Institution.

Section 4.07. Payments into Entrance Fee Fund; Application of Entrance Fee Fund

(a) To the extent Initial Entrance Fees are released from escrow while any Series 2021B Bonds or Series 2021C Bonds are Outstanding, Entrance Fees received by the Institution shall be tendered immediately to the Trustee and deposited by the Trustee in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

(1) First, to pay any refund of Entrance Fees owed to any former or prospective residents of the Facility or persons who withdrew from the Facility as required by the Residency Agreements, as certified and directed by an Authorized Representative of the Institution;

(2) Second, to the Operating Reserve Fund in an aggregate amount not to exceed \$3,000,000;

(3) Third, to the Working Capital Fund to pay for Costs of the Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$6,000,000; provided an additional \$2,500,000 in Entrance Fees may be used upon certification by an Authorized Representative of the Institution to the Trustee that moneys in the Construction Account of the Project Fund, together with anticipated investment earnings to be deposited therein, are insufficient to complete payment of such Costs of the Project associated with working capital expenses;

(4) Fourth, to the applicable Account of the Debt Service Reserve Fund to make up for any deficiency with respect to the Debt Service Reserve Fund Requirement;

(5) Fifth, to the Special Redemption Fund to be used to make quarterly Entrance Fee Redemption payments to redeem Series 2021C Bonds whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000, provided that no Series 2021B Entrance Fee Redemption shall be made so long as any Series 2021C Bonds remain Outstanding; and

(6) Sixth, to the Special Redemption Fund to be used to make quarterly Entrance Fee Redemption payments to redeem Series 2021B Bonds whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000; and

(7) Seventh, all remaining Entrance Fees shall be paid to the Institution and the Entrance Fee Fund shall be closed.

(b) The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements and transfer therefrom.

Section 4.08. Investment Earnings on Funds; Application of Investment Earnings on Funds.

(a) All investment income or earnings on amounts held in the Construction Account of the Project Fund prior to the Completion Date shall be transferred by the Trustee to the Capitalized Interest Accounts of the Project Fund for each Series of Series 2021 Bonds, pro rata based on principal amount then Outstanding for each Series of Series 2021 Bonds, and applied as set forth in Section 4.04(b). All investment income or earnings on amounts held in all other Accounts of the Project Fund, the Subaccounts of the Accounts of the Bond Fund or any other special fund held under any of the Bond Documents (other than the Rebate Fund) prior to the Completion Date shall be deposited upon receipt by the Trustee into the corresponding related Account of the Project Fund and used for the purposes set forth in Section 4.04 hereof and after the Completion Date, if the Trustee shall have been notified in writing by an Authorized Representative of the Institution that there remain sums due for Costs of the Project not previously paid, shall be deposited upon receipt by the Trustee into the corresponding related Account of the Project Fund and used to pay any remaining sums due for Costs of the Project not previously paid, or, if no such written notice has been received, deposited by the Trustee into the corresponding related Subaccount of the Interest Account of the Bond Fund and used to pay the interest component of the next upcoming Debt Service Payment. The Trustee shall keep separate accounts of all investment earnings from each Fund and Account hereunder to indicate the source of the income or earnings.

(b) Within thirty (30) days after the end of each Computation Period, the Trustee, at the written direction of an Authorized Representative of the Institution, shall transfer to the Rebate Fund instead of the Project Fund or the Interest Account of the Bond Fund an amount of the investment earnings on the Funds and Accounts hereunder, such that the amount transferred to the Rebate Fund is equal to that amount as is set forth as the Rebate Amount in a written certificate delivered by the Institution to the Trustee pursuant to the Tax Compliance Agreement and this Indenture.

Section 4.09. Payments into Rebate Fund; Application of Rebate Fund.

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Owner of any Series of Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, shall transfer, from moneys in the Project Fund, the

Renewal Fund or from any other moneys paid under the Tax Compliance Agreement, into the Rebate Fund, within thirty (30) days after the end of each Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the immediately preceding Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to Section 4.4 of the Loan Agreement at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund within thirty (30) days of the Completion Date an amount received from the Institution such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the Project. The amount deposited in the Rebate Fund pursuant to this paragraph shall be paid by the Institution pursuant to the Tax Compliance Agreement.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the Construction Account or Cost of Issuance Account of the Project Fund until the completion of the Project, or, after the Completion Date, deposit it in the applicable Subaccounts of the Accounts of the Bond Fund for application to the payment of principal or interest on the Series 2021 Bonds.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Series 2021 Bonds as of the date of such payment, and (ii) notwithstanding the provisions of Section 7.02 hereof, not later than thirty (30) days after the date on which all Series 2021 Bonds have been paid in full, one hundred (100%) percent of the Rebate Amount as of the date of payment.

(e) The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from the Institution to make such transfer.

Section 4.10. Special Redemption Fund. Moneys on deposit in the Special Redemption Fund shall be applied by the Trustee in accordance with the provisions of this Section.

(a) The Trustee shall deposit in the Special Redemption Fund all amounts transferred from the Entrance Fee Fund pursuant to Section 4.07(a)(4) hereof.

(b) Any time that amounts on deposit in the Special Redemption Fund equal \$25,000 or \$25,000 plus any integral multiple of \$5,000, the Trustee shall apply such amounts to the redemption of Series 2021B Bonds or Series 2021C Bonds in accordance with the provisions of Section 3.01(d)(ii) and Section 3.01(d)(iii) hereof, provided that no Series 2021B Entrance Fee Redemptions from the Special Redemption Fund shall be made so long as any Series 2021C Bonds remain Outstanding.

(c) Notwithstanding the foregoing provisions of this Section 4.10 or Section 3.01(d)(ii) or Section 3.01(d)(iii) hereof, the failure redeem any Series 2021B Bonds or Series 2021C Bonds on any Entrance Fee Redemption Date other than on the final maturity date of such Series 2021B or Series 2021C Bonds shall not constitute an Event of Default under the Indenture or the Loan Agreement.

(d) Any amounts remaining on deposit in the Special Redemption Fund after all of the outstanding Series 2021B Bonds and Series 2021C Bonds shall have been paid or provision for the payment thereof shall have been made as provided in Article VII shall be paid to the Institution.

Section 4.11 Payments into Renewal Fund; Application of Renewal Fund.

(a) The Net Proceeds resulting from any insurance award, condemnation award or recovery from any contractor or subcontractor with respect to the Facility shall be deposited in the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, lien and charge in favor of the Trustee until disbursed as provided herein.

(b) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to Article VII of the Loan Agreement, the Trustee shall, at the written direction of the Institution, apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Compliance Agreement and the Indenture, to such replacement, repair, rebuilding, restoration or relocation. Upon the completion of such replacement, repair, rebuilding, restoration or relocation, and after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Compliance Agreement and Section 4.09 hereof, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Bond Fund and applied as provided in Section 4.06(d) hereof. If the Institution elects not to replace, repair, restore or relocate the Facility pursuant to Article VII of the Loan Agreement, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Bond Fund and applied as provided in Section 4.06(d) hereof.

(c) If any Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund and be continuing, the Trustee, unless it exercises the remedy provided by Section 10.2(a)(ii) of the Loan Agreement, shall, after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Compliance Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund to be applied in accordance with Section 8.05 hereof.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to Article VII of the Loan Agreement, the Trustee is hereby authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same shall have been paid by or on behalf of the Institution or the Issuer) of the costs required for the replacement, repair, rebuilding, restoration or relocation of the Facility. The Trustee is further authorized and directed to issue its checks or wires for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee and signed by an Authorized Representative of

the Institution. Such requisition shall be in the same form and subject to the same conditions as requisitions from the Project Fund.

Section 4.12 Investment of Moneys.

(a) Moneys held in any Fund established pursuant to Section 4.01 hereof shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to written direction by an Authorized Representative of the Institution. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the owners thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of such Fund or Accounts. The Trustee may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in such Fund or Accounts is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the Fund or the respective Account within a Fund or special trust account for which such moneys are invested, and the interest accruing thereon and any profit realized from such investment shall be credited to and held in and any loss shall be charged to the applicable fund.

(b) The Trustee may make any investment permitted by this Section through its own bond department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this Section or for any loss arising from any such investment.

(c) Any investment herein authorized is subject to the condition that no use of the proceeds of any Tax-Exempt Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Tax-Exempt Bonds, would cause such Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of such quoted term in Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Tax-Exempt Bonds to be "arbitrage bonds", provided only that the Trustee shall have made such investment pursuant to the written direction or confirmation by an Authorized Representative of the Institution as provided in this Section.

(d) The Trustee shall compute the amount in each Account of the Debt Service Reserve Fund on the third Business Day preceding each Debt Service Payment Date. In computing the amount in the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the lower of cost or market value, or, if applicable, par. Notwithstanding anything to the contrary contained herein or any other Bond Document, the weighted average maturity of investments in the Debt Service Reserve Fund at any time may not exceed ten (10) years as of the date of any purchase of an investment. Upon the occurrence of a deficiency in the Debt Service Reserve Fund, such deficiency shall be restored to the extent required under Section 5.3 of the Loan Agreement, and investments of the moneys in the Debt Service Reserve Fund throughout shall be valued monthly until the deficiency has been fully restored as provided in the Loan Agreement. If, as a result of a valuation, moneys and investments on deposit in any Account of the Debt Service Reserve Fund exceed the Debt Service Reserve Fund Requirement for such Account of the Debt Service Reserve Fund, such excess shall be transferred by the Trustee to the applicable subaccount of the Principal Account of the Bond Fund and shall be applied to the principal component of the next upcoming Debt

Service Payment, and the Institution's obligations under Section 5.3 of the Loan Agreement shall be adjusted accordingly.

(c) The Trustee shall, at the written direction of the Institution, sell at the best price obtainable by the Trustee, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made.

(f) The Trustee shall not be responsible for confirming that the investments being purchased pursuant to written direction by an Authorized Representative of the Institution are Authorized Investments under this Indenture.

(g) The Institution and the Issuer acknowledge that regulations of the Comptroller of the Currency grant the Institution and the Issuer the right to receive brokerage confirmations of security transactions as they occur. The Institution and the Issuer specifically waive such right to notification to the extent permitted by law and acknowledge that they will receive periodic transaction statements that will detail all investment transactions.

Section 4.13 Payments into Debt Service Reserve Fund; Application of Debt Service Reserve Fund.

(a) Upon the issuance, sale and delivery of the Series 2021 Bonds, the Issuer shall transfer to the Trustee for deposit into the applicable Accounts of the Debt Service Reserve Fund established with respect to each Series of the Series 2021 Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the each Series of the Series 2021 Bonds, to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021 Bonds. The Trustee shall deposit into the applicable Account of the Debt Service Reserve Fund all payments made by the Institution pursuant to Section 5.3(d) of the Loan Agreement.

(b) Reserved.

(c) Moneys and securities held for credit in the Debt Service Reserve Fund shall be transferred by the Trustee to the Interest Account and the Principal Account of the Bond Fund at the times and in the amounts required pursuant to Section 4.06 hereof.

(d) Whenever the Trustee shall determine that the moneys and securities in the applicable Account of the Debt Service Reserve Fund, will be equal to or in excess of the Redemption Price of all of the Outstanding Bonds of such Series plus accrued interest to the Redemption Date, the Trustee shall use and apply the amounts on deposit in the applicable Account of the Debt Service Reserve Fund to the redemption of all corresponding Series of the Series 2021 on the first date thereafter that such Series of the Series 2021 Bonds are subject to optional redemption pursuant to Section 3.01(b)(i) hereof.

(e) Any income or interest earned by, or increment to, the Debt Service Reserve Fund shall be transferred by the Trustee and deposited (i) prior to the Completion Date, to the Capitalized Interest Account of the Project Fund, and (ii) after the Completion Date, to the Interest Sub-Accounts of the Bond Fund with respect to the applicable Series of the Series 2021A Bonds, the Series 2021B Bonds, and the Series 2021C Bonds [pro-rata based on the

principal amount of each of the Series 2021 Bonds Outstanding] at the time such income, interest, or increment is earned, and applied to the payment of the interest component of the next upcoming Debt Service Payments with respect to such Series of Bonds, and the Institution's obligations under Section 5.3 of the Loan Agreement shall be adjusted accordingly.

(f) In order to ensure the maintenance of the Debt Service Reserve Fund Requirement, the Trustee, upon the determination of any deficiency in the Debt Service Reserve Fund, shall make and deliver to the Issuer and the Institution at the intervals required pursuant to Section 4.12(d) hereof, a certificate stating the amount required to restore the amount of the Debt Service Reserve Fund to the amount of the Debt Service Reserve Fund Requirement, and the Trustee shall collect such deficiency from the Institution as a special rental payment, as provided in Section 5.3 of the Loan Agreement.

(g) The money on deposit in each Account of the Debt Service Reserve Fund is held solely for the benefit of the holders of the applicable Series of the Series 2021 Bonds and no portion of the Debt Service Reserve Fund may be used to pay Debt Service Payments on any other Series of the Series 2021 Bonds.

Section 4.14 Payments into Operating Reserve Fund; Application of Operating Reserve Fund. (a) The Trustee shall establish an Operating Reserve Fund, and shall deposit the amount set forth in Section 4.07(a)(2) hereof therein.

(b) Moneys in the Operating Reserve Fund shall be applied by the Trustee at any time at the direction of the Company:

(i) for operating expenses, marketing expenses, pre-opening expenses of the Facility, refunding Entrance Fees, and Debt Service Requirements, provided that such payments shall only be made upon delivery to the Trustee of a certificate of an Authorized Representative of the Institution stating that the Institution does not have other funds available for the payment of expenses and that the Working Capital Fund has been depleted and no funds are available under the Liquidity Support Agreement;

(ii) for Costs of the Project, upon certification by an Authorized Representative of the Institution to the Trustee that moneys in the Project Fund, together with anticipated investment earnings to be deposited therein, are insufficient to complete payment of such Costs of the Project; and

(iii) for fees and expenses of the Trustee, either (A) upon certification by an Authorized Representative of the Institution in the manner provided in clause (i) above, or (B) at the direction of the Trustee, if the balance in the Operating Reserve Fund is less than \$250,000 or an Event of Default has occurred and is continuing.

(d) In the event that the Institution fails to make any payment due under Section 5.3 of the Loan Agreement, the Trustee shall withdraw such amount from the Operating Reserve Fund and shall deposit the same in the respective accounts or subaccounts of the Bond Fund.

(e) When an Event of Default has occurred and is continuing, the Trustee may limit or prevent further withdrawals from the Operating Reserve Fund. In the event that a requested

withdrawal from the Operating Reserve Fund would reduce the balance in the Operating Reserve Fund to less than \$250,000, the Trustee may limit the amount of such withdrawal so as to maintain a balance in the Operating Reserve Fund of \$250,000.

Section 4.15. Payments into Working Capital Fund; Application of Working Capital Fund.

(a) The Trustee shall deposit in the Working Capital Fund all amounts transferred from the Entrance Fee Fund pursuant to Section 4.07(a)(3) hereof.

(b) Moneys in the Working Capital Fund shall be applied by the Trustee at any time at the direction of the Company for working capital needs of the Institution, including operating expenses, marketing expenses, pre-opening expenses of the Facility, refunding Entrance Fees, and Debt Service Requirements, provided that such payments shall only be made upon delivery to the Trustee of a certificate of an Authorized Representative of the Institution stating that the Institution does not have other funds available for the payment of such working capital expenses without regard to any funds held in the Operating Reserve Fund or available under the Liquidity Support Agreement.

(c) Upon Stabilization, the Trustee shall release all funds remaining on deposit in the Working Capital Fund to the Institution free and clear from the lien of this Indenture and shall close the working Capital Fund.

Section 4.16. Payment to Institution upon Payment of Series 2021 Bonds. Except as otherwise specifically provided herein, after payment in full of the principal or Redemption Price of and interest on all the Series 2021 Bonds (or after provision for the payment thereof has been made in accordance with Article VII of this Indenture) and after payment in full of the fees, charges and expenses of the Trustee and any Paying Agent and all other amounts required to be paid hereunder, and the fees, charges and expenses of the Issuer and all other amounts required to be paid under the Loan Agreement, all amounts remaining in any fund established pursuant to Section 4.01 hereof with respect to the Series 2021 Bonds (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the Institution hereunder or under the Loan Agreement shall be paid to the Institution.

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

Section 5.01. Authority of Issuer; Validity of Indenture and Series 2021 Bonds. The Issuer hereby represents and covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Series 2021 Bonds authorized hereby, to execute this Indenture and to pledge its interest in the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the issuance of the Series 2021 Bonds authorized hereby and the execution and delivery of this Indenture has been duly and effectively taken; and that such Series 2021 Bonds in the hands of the Owners thereof are and will be valid and enforceable special obligations of the Issuer according to the import thereof.

Section 5.02. Performance of Covenants. The Issuer hereby covenants, and the Trustee, by executing this Indenture, covenants, that each will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in (a) the Series 2021 Bonds any Series of Additional Bonds executed, authenticated and delivered hereunder, and (b) the Issuer Documents.

Section 5.03. Payment of Principal and Interest. Subject to the limitations contained in Section 2.04(b) and (c) hereof, the Issuer hereby covenants that it will promptly pay or cause to be paid the Debt Service Payments on every Series 2021 Bonds any Series of Additional Bond issued under this Indenture at the place, on the dates and in the manner provided herein. All Debt Service Payments on the Series 2021 Bonds shall be payable solely from the sources described in Section 2.04(c). Nothing in the Series 2021 Bonds or any Series of Additional Bonds or in this Indenture shall be construed as pledging any funds or assets of the Issuer other than those pledged or mortgaged hereby.

Section 5.04. Project Revenues. The Issuer hereby covenants that so long as any of the Series 2021 Bonds are Outstanding it will deposit or cause to be deposited with the Trustee for its account all amounts derived pursuant to the Issuer Documents (except moneys attributable to Unassigned Rights) or otherwise to pay the Debt Service Payments on the Bonds as the same become due and payable.

Section 5.05. Priority of Lien of Indenture. The Issuer hereby covenants that this Indenture is a first lien, subject only to Permitted Encumbrances, upon the Trust Estate, and the Issuer agrees not to create or suffer to be created any lien having priority or preference over the lien of this Indenture upon the Trust Estate or any part thereof, except as otherwise specifically provided in Article IX hereof.

Section 5.06. Enforcement of Duties and Obligations of Institution. The Issuer hereby covenants that, at the request of the Trustee, it shall take all legally available action to cause the Institution to fully perform all duties and acts and to fully comply with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement, provided that the Issuer shall be furnished by the Institution or the Bondholders of the Series 2021 Bonds with satisfactory security or indemnity for the reimbursement of all expenses and to protect it against all liability in connection with any such action.

Section 5.07. Filing of Financing Statements.

(a) The Issuer hereby covenants that it will cause the UCC Financing Statements to be recorded and filed, as the case may be, as required by law in order to create the lien of the Trustee and the security interests created in the Trust Estate.

(b) The Trustee hereby covenants that it will cause to be filed all continuation statements under the Uniform Commercial Code of the State in such manner and in such places as may be required by law in order to protect and maintain in force the lien of the Trustee and the security interest created in the Trust Estate. The Institution shall be responsible for the reasonable costs incurred by the Trustee in filing all continuation statements hereunder.

Section 5.08. Inspection of Project Books. The Issuer hereby covenants that all books and documents in its possession relating to the Project and the amounts payable under the Loan Agreement shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 5.09. Rights Under Bond Documents. The Bond Documents, duly executed counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the parties thereto. Reference is hereby made thereto for a detailed statement of the covenants, obligations and rights of the Institution, the Issuer and the other parties thereunder. The Issuer agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Institution under the Bond Documents for and on behalf of the Owners, whether or not an Event of Default exists hereunder. Nothing in this Section 5.09 shall permit any reduction in the payments required to be made by the Institution under or pursuant to the Bond Documents or any alteration in the terms of payment thereof. All covenants and agreements on the part of the Issuer shall be for the benefit of the Holders from time to time of the Series 2021 Bonds and may be enforced in the manner provided by Article VIII hereof on behalf of such Holders by the Trustee.

Section 5.10. List of Owners.

(a) The Trustee, as Bond Registrar, shall keep on file at the Office of the Trustee a list of the names and addresses of the Owners of all Series 2021 Bonds which, from time to time, may be registered on the registration books kept by the Trustee. The Issuer shall have no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Institution or by the Owners (or a designated representative thereof) of twenty-five percent (25%) or more in aggregate principal amount of Bonds Outstanding hereunder.

(b) Each Owner, by the purchase and acceptance of any Series 2021 Bond, consents to the disclosure of his name, address and the principal amount of the Series 2021 Bonds held by him or her and agrees that the Trustee shall not be held accountable for the disclosure of any such information.

Section 5.11. Failure to Present Bonds. Subject to the provisions of Section 2.09 hereof, in the event any Series 2021 Bond shall not be presented for payment when the principal or Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Series 2021 Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Series 2021 Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Series 2021 Bonds, who shall thereafter be restricted exclusively to such moneys for any claim under this Indenture or on, or with respect to, said Series 2021 Bond. If any Series 2021 Bond shall not be presented for payment within the period of two (2) years following the date when such Series 2021 Bond becomes due, whether by maturity or call for prior redemption or otherwise, the Trustee shall return to the Institution the funds theretofore held by it for payment of such Series 2021 Bond, and such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of

the Institution. The Trustee shall, at least sixty (60) days prior to the expiration of such two (2) year period, give notice to any Owner who has not presented any Series 2021 Bond for payment that any moneys held for the payment of any such Series 2021 Bond will be returned as provided in this Section 5.11 at the expiration of such two (2) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to this Section 5.11.

Section 5.12. Cancellation. All Series 2021 Bonds which have been paid, redeemed, purchased or surrendered shall be canceled and delivered by the Trustee to the Issuer. A copy of the canceled Series 2021 Bond or Series 2021 Bonds or other form of notice of such cancellation shall be delivered to the Institution upon its written request.

Section 5.13. Payments Due on Days Other Than Business Days. Unless otherwise provided in any Supplemental Indenture, in any case where the date that any payment on the Series 2021 Bonds or hereunder of maturity of interest, principal, Sinking Fund Payments, or Entrance Fee Redemption of the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date due, and no interest shall accrue for the period after such date.

Section 5.14. Agreement to Provide Information. The Trustee agrees, whenever requested in writing by the Issuer or the Institution, to provide such information that is known to the Trustee relating to the Series 2021 Bonds as the Issuer or the Institution, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the Institution to make any reports required by any Federal, state or local law or regulation or to request any consent or waiver from the holders of the Bonds.

Section 5.15. Continuing Disclosure Agreement. Pursuant to Section 8.15 of the Loan Agreement, the Institution and the Trustee have undertaken responsibility for compliance with, and the Issuer shall have no liability to the Holders of the Series 2021 Bonds or any other Person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement authorized by said Section 8.15. The Trustee hereby covenants and agrees with the Holders from time to time of the Series 2021 Bonds that it will act as Dissemination Agent under the Continuing Disclosure Agreement, comply with and carry out all of its duties as Dissemination Agent under the Continuing Disclosure Agreement and Section 8.15 of the Loan Agreement. Notwithstanding any other provision of this Indenture, failure of the Institution or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under this Indenture, and the rights and remedies provided by this Indenture upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. The Trustee hereby covenants and agrees to comply with the continuing disclosure requirements as may be applicable to any Series of Additional Bonds issued hereunder; provided, however, such requirements are substantially in accordance with the provisions of the Continuing Disclosure Agreement and Section 8.15 of the Loan Agreement.

ARTICLE VI

PRIORITY RIGHTS OF TRUSTEE

Section 6.01. Priority Rights of Trustee. The rights and privileges of the Institution set forth in the Loan Agreement are specifically made subject and subordinate to the rights and privileges under the Bond Documents of the Trustee and the Owners of the Bonds.

ARTICLE VII

DISCHARGE OF LIEN; DEFEASANCE OF BONDS

Section 7.01. Discharge of Lien.

(a) If the Issuer shall pay or cause to be paid to the Owners of any Series of Bonds or of all Outstanding Bonds the principal thereof, Redemption Price and interest thereon, at the times and in the manner stipulated therein and in this Indenture, and if there shall have been paid all fees, charges and expenses required to be paid under Section 9.02 hereof, then the lien on the Trust Estate hereby created for the benefit of the Owners of such Series of Bonds so paid shall be released, discharged and satisfied. In such event, except as otherwise specifically provided herein, the Trustee and any additional Paying Agent shall pay or deliver to the Institution all moneys or securities held by it pursuant to this Indenture which are not required for the payment of such Series of Bonds. The Issuer may pay or cause to be paid any Series of Bonds without at the same time paying or causing to be paid all other Series of Outstanding Bonds. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under this Indenture as security for the benefit of the Owners of any Series of Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Series 2021 Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Series 2021 Bonds shall have been made in accordance with this Section 7.01 and Section 7.02, the Trustee and the Issuer shall promptly execute and deliver to the Institution such written certificates, instruments and documents as the Institution shall provide to cause the lien of this Indenture upon the Trust Estate to be discharged and canceled.

(c) Notwithstanding the fact that the lien of this Indenture upon the Trust Estate may have been discharged and canceled in accordance with this Section, this Indenture and the rights granted and duties imposed hereby, to the extent not inconsistent with the fact that the lien upon the Trust Estate may have been discharged and canceled, shall nevertheless continue and subsist until the principal or Redemption Price of and interest on all of the Series 2021 Bonds shall have been fully paid or the Trustee shall have returned to the Institution pursuant to Section 5.11

hereof all funds theretofore held by the Trustee for payment of any Series 2021 Bonds not theretofore presented for payment.

Section 7.02. Discharge of this Indenture.

(a) Any Outstanding Series 2021 Bond or installments of interest with respect thereto shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, subsection (a) of Section 7.01 if: (i) there shall have been deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with subsection (b) of Section 7.02, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of such Bonds when due or to redeem such Bonds on the earliest possible redemption date thereof at the Redemption Price specified in Section 3.01 hereof, (ii) in the event such Series 2021 Bonds are to be redeemed prior to maturity in accordance with Section 3.01 hereof or in a Supplemental Indenture with respect to a Series of Additional Bonds, all action required by the provisions of this Indenture to redeem the Series 2021 Bonds shall have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with Section 3.02 hereof or in a Supplemental Indenture with respect to such Series of Additional Bonds shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses of the Trustee and of any additional Paying Agent with respect to the Series of Bonds of which the Bond is a part, (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the Series of Bonds of which such Bond is a part, and (v) all other payments required to be made under the Loan Agreement and this Indenture or any Supplemental Indenture with respect to such Series of Bonds of which the Bond is a part shall have been made or provided for.

(b) For the purpose of this Section 7.02, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose an amount of cash and/or a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Bonds, or (ii) the first date following the date of computation on which such Bonds may be redeemed pursuant to Article III hereof or the provisions of a Supplemental Indenture, as applicable (whichever may first occur), which, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the Redemption Price, due on such Series of Bonds, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of any Series of Bonds or of all Outstanding Bonds in accordance with Section 7.01 and this Section 7.02, the Trustee shall hold in trust, for the benefit of the Owners of such Series of Bonds, all such cash and/or Government Obligations, shall make no other or different investment of such cash and/or Government Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds, and prior to any defeasance becoming effective as provided above, there shall have been delivered to the Issuer and to the Trustee the verification required by Section 7(d)(B) hereof.

(d) Prior to any defeasance becoming effective as provided in Section 7.02 there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Bond Counsel to the effect that interest on any Series of Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from a verification agent or an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Government Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Payments on, interest on, and redemption premium, if any, of the Series of Bonds to be defeased.

Section 7.03. Lien Law Section 73 Covenant.

The Institution, for itself and as the agent of the Issuer, hereby covenants to the Issuer and to the Trustee, as a third-party beneficiary hereof, that the Institution will receive advances of monies under the Bond Documents and will hold the right to receive such advances as trust funds to be first applied to the payment of trust claims as defined in Section 71 of the Lien Law of the State, and that the Institution will apply the same to such payments only, before using any part of such advances for any other purpose.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 8.01. Events of Default.

The following shall be "Events of Default" under this Indenture:

(a) A default in the due and punctual payment of any interest or any principal, Sinking Fund Payment or Redemption Price of any Series 2021 Bond or any Series of Additional Bonds, whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration, or any other amounts due under this Indenture or the other Bond Documents or any other bond documents entered into in connection with any Series of Additional Bonds; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture or in any Series of Bonds and the continuance thereof for a period of thirty (30) days after written notice given by the Trustee or by the Owners of not less than fifty percent (50%) of the principal amount of the all of the Bonds then Outstanding; or if such default cannot be cured within thirty (30) days, but the Issuer is proceeding diligently to cure such default, then the Issuer shall be permitted an additional ninety (90) days within which to remedy the default; or

(c) The occurrence and continuation of an Event of Default under the Loan Agreement; or

(d) The occurrence and continuation of an Event of Default under the Building Loan Mortgage or the Project Loan Mortgage; or

(e) The occurrence and continuation of an Event of Default under the Master Indenture or any Obligation issued thereunder.

Section 8.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and continuation of an Event of Default under Section 10.1(a)(v) of the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds, all Series of Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee may, or upon the direction of not less than fifty-one percent (51%) of the principal amount of all of the Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Institution, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the respective Series of Bonds or in this Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the all of the Bonds Outstanding an amount equal to the total principal amount of all such Bonds Outstanding, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the Institution on behalf of the Institution all unpaid Debt Service Payments payable by the Institution under Section 5.3(b) of the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds to be immediately due and payable. Upon such declaration the same shall become and be immediately due and payable, and the Trustee shall immediately first apply any moneys on deposit in the Principal Account and Interest Account, as appropriate, of the Bond Fund.

(b) At any time after the principal of the Bonds Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee may annul such declaration and its consequences with respect to any Series of Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding Series of Bonds; (ii) sufficient moneys shall be available to pay the amounts described in Section 9.02 of this Indenture; (iii) all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Series of Bonds then due only because of such declaration) shall have been remedied. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.03. Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, and upon being provided with security or indemnity reasonably satisfactory to the Trustee against any liability or expense which might thereby be incurred, the Trustee shall proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021 Bonds and the Loan

Agreement, any Series of Additional Bonds and any New Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, Redemption Price, interest or otherwise under any of the provisions of the Series 2021 Bonds, the Bond Documents, the Obligations under the Master Indenture and any Series of Additional Bonds and the respective bond documents entered into in connection with any Series of Additional Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of any Series of Bonds.

(c) Regardless of the happening of an Event of Default, the Trustee shall have the right to institute and maintain such suits and proceedings as it may be advised by such Owners of any Series of Bonds shall be necessary or expedient (i) to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture or of any resolution or Supplemental Indenture authorizing any Series of Additional Bonds, or (ii) to preserve or protect the interests of the Owners of any Series of Bonds, provided that such request is in accordance with law and the provisions of this Indenture and is not unduly prejudicial to the interests of the Owners of any Series of Bonds not making such request.

(d) When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, the expenses and the compensation for the services shall constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.04. Appointment of Receivers. Upon the occurrence and continuance of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or the Owners of any Series of Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.05. Application of Moneys.

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall, after paying the reasonable fees and expenses of the Trustee, be deposited in the Bond Fund.

(b) All moneys held in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all the Bonds Outstanding shall have become due or shall have been declared due and payable,

FIRST - To the payment of all installments of interest then due, in the order of the maturity of the installments of such interest on all Bonds Outstanding and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such

installment, to the Persons entitled thereto without any discrimination or preference; and

SECOND - To the payment of the unpaid principal or Redemption Price, if any, of any Series of Bonds or principal installments which shall have become due (other than any Series of Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in order of their due dates, with interest on such Series of Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Series of Bonds became due and, if the amount available shall not be sufficient to pay in full such Series of Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD - To the payment of the principal or Redemption Price of and interest on such Series of Bonds as the same become due and payable; and

(ii) If the principal of all such Series of Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all such Series of Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond or Series Bond over any other Series of Bonds, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(iii) If the principal of the Series of Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to provisions of Section 8.02(b) hereof, the moneys shall be applied in accordance with the provisions of paragraph (i) of this Section 8.05(b).

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 8.05, such moneys shall be applied at such time or times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. On the date fixed by the Trustee for application of such moneys, interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date.

Section 8.06. Remedies Vested in Trustee. Except as otherwise provided in Section 8.08(c) hereof, all rights of action (including the right to file proof of claim) under this Indenture or under any of the Series of Bonds may be enforced by the Trustee without possession of any of such Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of any Series of Bonds.

Subject to the provisions of Section 8.05 hereof, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Series of Bonds.

Section 8.07. Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Owners of any Series of Bonds by this Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners of any Series of Bonds hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.08. Individual Bondholder Action Restricted.

(a) No Owner of any Bonds shall have any right to institute any suit, action or proceedings in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) an Event of Default has occurred of which the Trustee has been notified as provided in Section 9.01(b)(viii) hereof or of which by said Section the Trustee is deemed to have notice; and

(ii) the Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Owners shall have offered the Trustee indemnity as provided in Section 9.01 hereof; and

(iv) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of any Bonds or Series of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the interests of the Trustee in the Trust Estate or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Owners of all such Series of Bonds Outstanding.

(c) Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, (i) the right of the Owner of any Bonds to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof, or (ii) the rights of the Holders of at least seventy-five percent (75%) of the aggregate principal amount of such Series of Bonds then Outstanding to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Owner of any Series of Bonds may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of this Indenture on the Trust Estate for the equal and ratable benefit of all Owners of such Series of Bonds issued hereunder.

Section 8.09. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners of each Series of Bonds Outstanding, the Issuer, the Institution, the Trustee and the Owners of each Series of Bonds Outstanding shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Owners of each Series of Bonds Outstanding shall continue as if no such proceeding had been taken.

Section 8.10. Waiver and Non-Waiver of Event of Default. No delay or omission of the Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VIII to the Trustee may be exercised from time to time and as often as may be deemed expedient.

Section 8.11. Notice of Defaults.

(a) Within ninety (90) days after (i) the receipt of notice of an Event of Default as provided in Section 9.01(b)(viii) hereof, or (ii) the occurrence of an Event of Default of which the Trustee is deemed to have notice by such Section, the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to the Owners of each Series of Bonds then Outstanding, provided that, except in the case of a default in the payment of the principal of, Redemption Price of, or interest on any of the Bonds Outstanding, the Trustee may withhold such notice to the Owners of such Bonds Outstanding if, in the Trustee's sole judgment, it determines that the withholding of such notice is in the best interests of the Owners of such Bonds Outstanding.

(b) The Trustee shall promptly notify the Issuer, the Master Trustee and the Institution in writing, on behalf of the Institution, of any Event of Default known to the Trustee.

ARTICLE IX

TRUSTEE AND PAYING AGENT

Section 9.01. Appointment of Trustee and Acceptance of Duties.

(a) U.S. Bank, a national banking association organized under the laws of the United States, having an office at 100 Wall Street, 6th Floor, New York, New York 10005] is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee, subject to the terms and conditions set forth in subsection (b) of this Section 9.01, by executing this Indenture.

(b) The acceptance by the Trustee of the trusts imposed upon it by this Indenture and its agreement to perform said trusts are subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(i) Prior to the occurrence of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this

Indenture. In case an Event of Default has occurred and has not been cured, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent man would use, under the circumstances, in the conduct of his own affairs.

(ii) The Trustee may execute any of the trusts or powers conferred upon it in this Indenture and perform any of its duties hereunder by or through attorneys, agents or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters with respect to the trust and its duties hereunder, and may in all cases pay such reasonable and actual compensation to all such attorneys and agents as may reasonably be employed in connection with the trust hereunder but solely from the proceeds of the Trust Estate or as provided under the Loan Agreement. The Trustee may act upon an opinion of Independent Counsel or counsel to the Trustee and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion of Independent Counsel or counsel to the Trustee.

(iii) The Trustee shall not be responsible for any recital herein or in any Series of Bonds (except in respect to the Certificate of Authentication of the Trustee endorsed on any Series of Bonds), nor for the recording or re-recording or filing or re-filing of this Indenture or any other Bond Documents, except for filing UCC Continuation Statements, nor for insuring any Property securing such Series of Bonds, or for collecting any insurance moneys, nor for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or any instruments of further assurance, nor for the sufficiency of the security for any Series of Bonds, nor for any value of or title to any Property securing such Series of Bonds, nor for the performance or observance of any covenants, conditions or agreements on the part of the Institution under the Borrower Documents.

(iv) The Trustee may become the Owner of any Bond or Series of Bonds secured hereby with the same rights which it would have if it were not Trustee.

(v) The Trustee shall be protected in acting in the absence of gross negligence or willful misconduct upon any notice, request, consent, certificate, order, affidavit, letter or other paper or document believed by it in good faith to be genuine and to have been signed or sent by the proper Person or Persons.

(vi) The Trustee may, without further investigation, rely upon:

(A) a certificate, signed by an Authorized Representative of the Issuer

(1) as to the existence or non-existence of any fact or facts stated therein;

(2) as to the sufficiency or validity of any instrument, paper or proceeding, other than a resolution of the Issuer; and

(3) prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 9.01(b)(viii) hereof or of which by said Section the Trustee is deemed to have notice, as to the necessity or appropriateness of any particular dealing, transaction or action; and

(B) a certificate, signed by the Secretary of the Issuer, as to the due adoption and validity of a resolution of the Issuer.

(vii) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct, subject to the limitation of paragraph (i) of this subsection (b).

(viii) The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of the principal or Redemption Price of or interest on any of Series of Bonds, whether at maturity or upon prior redemption, unless the Trustee shall be specifically notified in writing of such Event of Default.

(ix) All moneys received by the Trustee shall be held in trust in the manner and for the purpose for which they were received but need not be segregated from other moneys held by the Trustee, except to the extent required by this Indenture or by law. The Trustee shall not be liable for interest on any moneys received hereunder.

(x) At any reasonable time, the Trustee and its duly authorized agents, experts and representatives may (but shall not be obligated to) inspect any of the security for any Series of Bonds and any books, papers and records of the Issuer pertaining to the Project and any Series of Bonds.

(xi) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers intended to be conferred upon it in this Indenture or otherwise in respect of the premises.

(xii) The Trustee may (but shall not be obligated to) demand, as a condition of the authentication of any Bonds of a Series, the withdrawal of any moneys, the release of any Property or the taking of any other action contemplated by this Indenture, any certificates, opinions, appraisals or other information, or corporate action or evidence thereof (in addition to any other prerequisites required in any other Section of this Indenture), which the Trustee may reasonably deem desirable for the purpose of establishing the right of the Issuer to the authentication of each Series of Bonds, the withdrawal of the moneys, the release of the Property or the taking of the other action.

(xiii) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its

rights or powers, if there shall be reasonable ground for believing that the prompt repayment of such funds or adequate indemnity against such liability is not reasonably assured to it. Before taking any action under this Indenture, the Trustee may require that satisfactory security or indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which may be adjudicated to have resulted from its own gross negligence, willful misconduct or bad faith, by reason of any action so taken.

(xiv) The Trustee shall not be personally liable for any debts contracted, nor for damages arising from injury to Persons or damage to Property, nor for salaries, nor for non-fulfillment of contracts during any period when it may be in the possession of or managing any Property as in this Indenture provided.

(xv) The Trustee shall not be liable for the use of Bond Proceeds disbursed in accordance with the terms herein.

(xvi) The Trustee shall be under no obligation to institute any suit, or to take any remedial or legal action herein or under or pursuant to any other Bond Document, or to enter any appearance or in any way defend in any suit in which it may be made a defendant, or to take any steps in the execution of the trusts hereby created, or in the enforcement of any rights and powers of fulfillment of any extraordinary duties herein or under any other Bond Documents, until it shall be indemnified in accordance with the terms set forth herein to its reasonable satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence.

(xvii) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or title of officers of the Issuer authorized at such time to take specified actions pursuant to this Indenture.

(xviii) The Trustee shall have no duty or obligation to monitor the Issuer's compliance with the terms of the Bond Documents or to ascertain or inquire as to the observance, performance of any covenants, conditions or agreements of the Issuer except as set forth in this Indenture.

Section 9.02. Fees, Charges and Expenses of Trustee and Paying Agents. The Institution, on behalf of the Issuer, shall pay or reimburse the Trustee and any Paying Agent, or cause the Trustee and any Paying Agent to be paid or reimbursed, for reasonable fees for their Ordinary Services rendered hereunder and all Ordinary Expenses reasonably and necessarily paid or incurred in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee or any Paying Agent perform Extraordinary Services, reasonable extra compensation therefor, and for reasonable and necessary Extraordinary Expenses in connection therewith, provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross negligence, willful misconduct or bad faith of the Trustee or any Paying Agent, it shall not be entitled to compensation or reimbursement therefor. The

Institution, on behalf of the Issuer, shall pay or reimburse the Trustee, or cause the Trustee to be paid or reimbursed, for the reasonable fees and expenses of the Trustee as Paying Agent and Bond Registrar for each Series of Bonds as hereinabove provided. The obligation of the Institution, on behalf of the Issuer, under this Section 9.02 to compensate, reimburse and indemnify the Trustee and any Paying Agent shall constitute additional indebtedness secured hereunder which, in the absence of an Event of Default hereunder, shall be subordinate to the lien in favor of Owners. Upon the occurrence and during the continuance of any Event of Default hereunder, the Trustee and any Paying Agent shall have a first lien upon the Trust Estate for the foregoing compensation, reimbursement and indemnification rights, with right of payment prior to payment on account of interest on, or principal or Redemption Price of, each Series of Bonds. The rights of the Trustee and each Paying Agent shall survive the resignation or removal of such Trustee or Paying Agent and the payment of each Series of Bonds and discharge of this Indenture.

Section 9.03. Intervention by Trustee. Subject to Section 9.01(b)(xvi) hereof, in any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee, has a substantial bearing on the interests of Owners of the Bonds, the Trustee may, and if indemnified to its reasonable satisfaction, and requested in writing by the Owners of at least fifty-one percent (51%) in aggregate principal amount of each Series of Bonds Outstanding shall, intervene on behalf of Owners.

Section 9.04. Right of Trustee to Pay Taxes, Insurance Premiums and Other Charges.

(a) If any tax, assessment, payment in lieu of tax, governmental or other charge upon any part of the Trust Estate is not paid, or if any insurance is not maintained as required herein, or if an Event of Default under the Loan Agreement occurs and the Trustee incurs costs and expenses in accordance with Section 10.4(b) of the Loan Agreement as a result thereof, the Trustee may pay such tax, assessment, payment in lieu of tax, governmental or other charge or insurance premium or cost or expense, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure. Any amount so paid under this Section 9.04 shall become additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any Bonds and interest thereon, and shall be paid out of the proceeds collected from the Trust Estate, if not otherwise caused to be paid.

(b) The Trustee shall be under no obligation to make any payment described in subsection (a) of this Section 9.04 unless it shall have been requested in writing to do so by the Owners of at least fifty-one percent (51%) in aggregate principal amount of each Series of Bonds Outstanding and shall have been provided with adequate funds to make such payment.

Section 9.05. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its 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 Trustee hereunder and be vested with 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 any of the parties hereto.

Section 9.06. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign from the trusts hereby created and be discharged of their duties and obligations under this Indenture by giving not less than thirty (30) days written notice to the Issuer, the Institution and, by either electronic mail or first class mail, to each Owner of each Series of Bonds then Outstanding. Such resignation shall take effect upon the date specified in such notice, provided, however, that in no event shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 9.08 of this Indenture. If no successor Trustee shall have been appointed within 45 days of the notice of resignation or removal of the Trustee, the Trustee shall have the right, at the expense of the Institution, to petition a court of competent jurisdiction for the appointment of a successor Trustee.

Section 9.07. Removal of Trustee. The Trustee may be removed at any time, with thirty (30) days' written notice, without cause by (a) an instrument which (i) is signed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, (ii) specifies the date on which such removal shall take effect and the name and address of the successor Trustee, and (iii) is delivered to the Trustee, the Issuer and the Institution or (b) by the Issuer, so long as no Event of Default has occurred and is continuing under the Loan Agreement. Notice of any such removal shall be given, by first class mail, to each Owner of Bonds then Outstanding not less than sixty (60) days before such removal is to take effect as stated in such instrument. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Indenture or the Loan Agreement, by any court of competent jurisdiction upon the application by the Issuer, the Institution or the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Section 9.08. Appointment of Successor Trustee by Issuer; Temporary Trustee.

(a) In case the Trustee hereunder shall resign, or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become 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 Trustee shall be appointed by the Issuer, by an instrument signed by the Issuer and delivered to such successor Trustee, the predecessor Trustee and the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of each Series of Bonds then Outstanding within thirty (30) days after delivery by the Issuer of the instrument appointing such successor Trustee.

(b) In case of the occurrence of any event affecting the Trustee hereunder described in subsection (a) of this Section 9.08, the Issuer, by an instrument signed by the Issuer and

delivered to such successor Trustee, the predecessor Trustee and the Institution, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Issuer in the manner provided in subsection (a) of this Section 9.08. Such instrument appointing such successor Trustee by the Issuer shall be delivered to the successor Trustee so appointed, to the predecessor Trustee and to the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of Bonds then Outstanding within thirty (30) days after delivery to the successor Trustee of the instrument appointing such successor Trustee. Any such temporary Trustee appointed by the Issuer shall immediately and without further act be superseded by any successor Trustee appointed by the Issuer.

(c) Any Trustee appointed pursuant to the provisions of this Section 9.08 shall be a national banking association, trust company or bank which is authorized to exercise the corporate trust powers intended to be conferred upon it by this Indenture and has combined capital and surplus of at least \$25,000,000, or any other corporate or individual trustee duly authorized and empowered to act as Trustee hereunder and reasonably acceptable to the Institution.

Section 9.09. Concerning Successor Trustees.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, the Institution and the Issuer an instrument accepting such appointment hereunder. Thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Property, rights, powers, trusts, duties and obligations, with respect to this Indenture, of its predecessor Trustee.

(b) Every predecessor Trustee shall, on the written request of the Issuer or the successor Trustee, execute and deliver an instrument or instruments transferring to such successor Trustee all the Property and the Obligations, and the rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver to its successor Trustee all securities and moneys held by it as Trustee hereunder. If any instrument from the Issuer shall be requested by any successor Trustee, acknowledging the transfer to such successor Trustee of the Property, rights, powers and duties hereby vested or intended to be vested hereunder, any and all such instruments shall be executed, acknowledged and delivered by the Issuer.

(c) The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article IX, shall be filed and/or recorded by the successor Trustee with the Issuer.

Section 9.10. Successor Trustee as Custodian of Funds and Paying Agent. In the event of a change of Trustees, the predecessor Trustee shall cease to be (a) custodian of the Funds created pursuant to Section 4.01 hereof and of all other moneys, Property, rights and assets of the Issuer, and (b) Bond Registrar and Paying Agent for principal or Redemption Price of and interest on each Series of Bonds, and the successor Trustee shall become such custodian, Bond Registrar and Paying Agent. Every predecessor Trustee shall deliver to its successor Trustee all books of account, the registration books, the list of Bondholders and all other records, documents and instruments relating to its duties as such custodian, Bond Registrar and Paying Agent.

Section 9.11. Trust Estate May Be Vested in Co-Trustee.

(a) In the event the Trustee determines that it may be necessary or desirable to appoint one or more co-trustees to exercise any of the rights, powers or remedies granted to the Trustee hereunder, the Trustee may, with the consent of the Issuer, appoint an additional Person or Persons to act as co-trustee or co-trustees hereunder by executing an instrument of appointment for each such co-trustee and by delivering such instrument of appointment to the co-trustee, the Issuer and the Institution. Any such instrument of appointment shall confer such rights, powers, duties and obligations hereunder as the Trustee may deem necessary or desirable upon the co-trustee as joint tenant (or, if required by applicable law, as tenant-in-common) with the Trustee, except to the extent that, under applicable law, the Trustee is incompetent or unqualified to exercise any of such rights or powers or to discharge any of such duties or obligations. To such extent, such rights, powers, duties and obligations may be conferred upon and exercised and performed solely by the co-trustee. If any written instrument shall be requested from the Issuer by the co-trustee to more fully and certainly to vest in it such rights, powers, duties and obligations, such instrument or instruments shall be executed, acknowledged and delivered by the Issuer.

(b) The Trustee, at any time by an instrument in writing delivered to any co-trustee, the Issuer and the Institution, may remove such co-trustee. In case any co-trustee shall become incapable of acting, resign or be removed, all the Property, rights, powers, duties and obligations of such co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment by the Trustee of a successor to such co-trustee.

Section 9.12. Appointment, Resignation or Removal of Paying Agent; Successors.

(a) The Trustee is hereby designated and, by executing this Indenture, agrees to act as Paying Agent for and in respect to each Series of Bonds issued hereunder.

(b) The Issuer, from time to time, may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents by an instrument signed by the Chief Executive Officer, Executive Director or Chairman of the Issuer and attested by the Secretary of the Issuer and delivered to such Paying Agent and the Trustee. Any such additional Paying Agent or successor Paying Agent shall be a national banking association, trust company or bank which is authorized by law to perform all the duties imposed upon a Paying Agent by this Indenture and has a combined capital and surplus of at least \$25,000,000. Any such additional Paying Agent or successor Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof.

(c) The principal office of each Paying Agent is hereby designated as the respective office or agency of the Issuer for the payment of the principal or Redemption Price of and interest on each Series of Bonds. Any additional Paying Agent shall hold all moneys received by it for the payment of the principal of or Redemption Price of and interest on the Bonds in trust for the benefit of the Owners of the Bonds. Any additional Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any Bonds, and may join in any action which any Owner may be entitled to take with like effect as if such association, bank or trust company were not such Paying Agent.

(d) A Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days written notice to the Issuer and the Trustee. A Paying Agent may be removed at any time by an instrument signed by the Chief Executive Officer, Executive Director or Chairman of the Issuer and attested by the Secretary of the Issuer and delivered to such Paying Agent and the Trustee.

(e) In the event of the resignation or removal of a Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee.

Section 9.13. Trustee to Exercise Powers of Statutory Trustee. The Trustee shall be and is hereby vested with all of the rights, powers and duties of a trustee under this Indenture appointed by Owners, and the right of Owners to appoint a trustee is hereby abrogated.

Section 9.14. Force Majeure. The Trustee and the Issuer shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

Section 9.14. Damages. In no event shall the Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent of Owners.

(a) Without the consent of or notice to any of the Owners of the Bonds issued hereunder but subject to Section 10.03 hereof, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To cure, correct or supplement any defective provision of this Indenture in such manner as shall not be inconsistent with this Indenture and shall not impair the security hereof nor adversely affect the Owners;
- (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee, but only with the prior written consent of the Institution not unreasonably to be withheld;

- (iv) To add to the covenants and agreements of the Issuer in this Indenture, other covenants and agreements to be observed by the Issuer;
- (v) To identify more precisely the Trust Estate;
- (vi) To subject to the lien of this Indenture additional revenues, receipts, Property or collateral, but only with the prior written consent of the Institution;
- (vii) To release Property from the lien of this Indenture or to grant or release easements to the extent permitted by this Indenture;
- (viii) To make any other changes in this Indenture which do not prejudice the interests of the Trustee, the Institution or the Owners;
- (ix) To make any change which, in the opinion of Bond Counsel, is necessary or desirable in order to preserve the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes;
- (x) To make any change requested by a Rating Agency in connection with obtaining or maintaining a rating on any Series of Bonds; or
- (xi) To issue any Series of Additional Bonds in accordance with the provisions of Section 2.14 hereof.

(b) In connection with the execution and delivery of any Supplemental Indenture to be entered into under the provisions of Article X of this Indenture, the Trustee shall receive and may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions.

Section 10.02. Supplemental Indentures Requiring Consent of Owners.

(a) Except as provided in Section 10.01 hereof, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of all Bonds then Outstanding (or if less than all Series of Bonds then Outstanding are affected by such Supplemental Indenture, then the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series of Bonds so affected) shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any Supplemental Indenture or in the Series 2021 Bonds or any other Series of Bonds issued hereunder; provided, however, that nothing contained in this Section 10.02 shall permit:

- (i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Series of Bonds or a reduction in the principal amount or Redemption Price of any Outstanding Series of Bonds or the rate of interest thereon, without the consent of the Owners of one hundred percent (100%) of the aggregate principal amount of such Series of Bonds; except during a period in which an Event of Default has occurred and is continuing such

change as described in this Section 10.02(a)(i) may be made with the consent of the Owners of not less than eighty percent (80%) of the aggregate principal amount of such Series of Bonds; or

- (ii) The creation of a lien upon the Trust Estate ranking prior to or on a parity with the lien created by this Indenture, without the consent of the Owners of all Outstanding Series of Bonds; or

(iii) A preference or priority of any Bond or Series of Bonds over any other such Bond or Series of Bonds, without the consent of the Owners of all such Outstanding Bonds so affected;

- (iv) A reduction in the aggregate principal amount of any Bonds required for consent to such Supplemental Indenture, without the consent of the Owners of all Outstanding Series of Bonds; or

(b) If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.02(a) hereof, the Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice shall briefly summarize the contents of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

(c) The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by Section 10.02(b) hereof.

(d) If, within such period after the mailing of the notice required by Section 10.02(b) hereof as the Issuer shall prescribe with the approval of the Trustee, the Issuer shall deliver to the Trustee an instrument or instruments executed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee shall execute such Supplemental Indenture.

(e) If the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of Bonds shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(f) The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of requisite Owner consent thereto comply with the provisions of this Section 10.02.

Section 10.03. Consent of Institution to Supplemental Indentures. Notwithstanding anything contained in this Indenture to the contrary, no Supplemental Indenture which affects any rights or obligations of the Institution shall become effective unless and until the Institution shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee shall be entitled to receive and may rely upon the opinion of Independent Counsel as conclusive evidence of whether or not a Supplemental Indenture affects any rights of the Institution within the meaning of, and for the purposes of, this Section 10.03. The Trustee shall deliver to the Institution a copy of all executed Supplemental Indentures.

Section 10.04. Effect of Supplemental Indentures. Any Supplemental Indenture executed in accordance with the provisions of this Article X shall thereafter form a part of this Indenture. All the terms and conditions contained in any such Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.05. Condition Precedent to Supplemental Indentures. Notwithstanding the foregoing, the execution and delivery of a Supplemental Indenture in accordance with this Article X shall be conditioned upon the delivery to the Trustee of an opinion of Bond Counsel that the execution and delivery of such Supplemental Indenture will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

ARTICLE XI

AMENDMENTS AND MODIFICATIONS TO THE LOAN AGREEMENT AND TAX COMPLIANCE AGREEMENT

Section 11.01. Amendments to the Loan Agreement Not Requiring Consent of Owners.

(a) Without the consent of or notice to any of the Owners, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of the Loan Agreement or any New Loan Agreement as may be required (a) by the provisions thereof or of this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, (c) in connection with the description of the Project and the substitution, addition or removal of a portion of the Facility as provided in the Loan Agreement and this Indenture, (d) in connection with additional real estate which is to become part of the Facility, (e) in connection with any other change therein which, in the sole judgment of the Trustee, does not adversely affect the interests of the Trustee or the Owners of the Bonds, (f) to make any change which, in the opinion of Bond Counsel, is necessary or desirable in order to preserve the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes, (g) to make any change requested by a Rating Agency in connection with obtaining or maintaining a rating on any Series of Bonds, or (h) in connection with the issuance of any Series of Additional Bonds in accordance with the provisions of Section 2.14 hereof.

(b) The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification complies with the provisions of this Section.

Section 11.02. Amendments to the Loan Agreement Requiring Consent of Owners.

Except for amendments, changes or modifications as provided in Section 11.01 hereof, neither the Issuer, the Institution, nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement or any New Loan Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the applicable Series of Bonds at the time Outstanding procured and given in the manner set forth in Section 10.02 hereof; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Owners of all the applicable Series of Bonds then Outstanding, except during a period in which an Event of Default has occurred and is continuing such change as described in this section may be made with the consent of the Owners of not less than eighty percent (80%) of the aggregate principal amount of such Series of Bonds. The Trustee shall be entitled to receive and may rely on an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification and the evidence of requisite Owner consent comply with the requirements of this Section.

Section 11.03. Amendments of Tax Compliance Agreement Not Requiring Consent of Owners. Without the consent of or notice to any of the Owners, the Issuer and the Trustee may consent to any amendment, change or modification of the Tax Compliance Agreement as may be required (a) for the purpose of curing any ambiguity or formal defect or omission, (b) to facilitate the issuance of Additional Bonds, (c) in connection with any other change therein which, in any case, in the sole judgment of the Trustee does not adversely affect the interests of the Trustee or the Owners of the Bonds, or (d) any other change required to maintain the tax exemption on the Series 2021 Bonds. The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification complies with the provisions of the Section.

Section 11.04. Amendments of Tax Compliance Agreement Requiring Consent of Owners. Except for amendments, changes or modifications as provided in Section 11.03 hereof, neither the Issuer nor the Trustee shall enter into any amendment, change or modification of the Tax Compliance Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the applicable Series of Bonds at the time Outstanding procured and given in the manner set forth in Section 10.02 hereof. The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification and the evidence of requisite Owner consent comply with the provisions of this Section.

Section 11.05. Condition Precedent to Amendments of Tax Compliance Agreement or Loan Agreement. Notwithstanding the foregoing, the execution and delivery of an amendment to the Loan Agreement or the Tax Compliance Agreement in accordance with this Article XI shall be conditioned upon the delivery to the Trustee of an opinion of Bond Counsel that the execution and delivery of such amendment will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Consent of Owners.

(a) Any consent, request, direction, approval, objection or other instrument required or permitted by this Indenture to be signed and executed by the Owners may be in any number of writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of such Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and may be conclusively relied on by the Trustee with regard to any action taken thereunder:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by (A) the certificate (which need not be acknowledged or verified) of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument acknowledged to him the execution thereof on such date, or (B) by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation.

(ii) The ownership of such Bonds and the amount, numbers and other identification, and the date of holding the same, shall be proved by the registration books kept by the Trustee as bond registrar.

(b) Any request, consent or vote of the Owners of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith, unless and until such request, consent or vote is revoked by the filing with the Trustee of a writing, signed and executed by the Owners of such Bond, in form and substance and within such time as shall be satisfactory to the Trustee.

Section 12.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Series 2021 Bonds and any Series of Additional Bonds is intended or shall be construed to give to any Person, other than the parties hereto and the Owners of any Series 2021 Bonds and any Series of Additional Bonds, any right, remedy or claim under or with respect to this Indenture or any covenants, conditions or provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be for the sole and exclusive benefit of the

parties hereto and the Owners of the Series 2021 Bonds and any Series of Additional Bonds as herein provided.

Section 12.03. Severability.

(a) If any provision of this Indenture shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

(b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Indenture shall not affect the remaining portions of this Indenture or any part thereof.

Section 12.04. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other addresses as any party may specify in writing to the others:

To the Issuer:

Town of Huntington Local Development Corporation
One Independence Hill, 2nd Floor
Farmingville, New York 11738
Attention: Chief Executive Officer

with a copy to:

Harris Beach PLLC
333 Earle Ovington Blvd.
Suite 901
Uniondale, NY 11553
Attention: Andrew Komaromi, Esq.

To the Trustee:

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Orlando Jones
Email: Orlando.Jones@usbank.com

To the Institution:

Gurwin Independent Housing, Inc.
68 Hauppauge Road
Commack, New York 11725
Attention: President & CEO

Such notices shall be deemed to have been given upon receipt or upon the refusal of the party being notified to accept delivery of such notice. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Trustee to the other shall also be given to the Institution. The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent in the form of a manually signed document by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Institution or the Issuer, as applicable, shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or the Institution elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Institution each agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 12.05. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.06. Applicable Law. This Indenture shall be governed and construed exclusively by the applicable laws of the State of New York without regard or reference to its conflict of laws principles.

Section 12.07. Lien Law. This Indenture shall be subject to the provisions of Section 13 of the Lien Law of the State.

Section 12.08. No Recourse on Bonds. No recourse shall be had for the payment of the principal or of the interest on the Series 2021 Bonds and any Series of Additional Bonds issued hereunder or for any claim based thereon or on this Indenture against any member or officer of the Issuer or any person executing the Series 2021 Bonds any Series of Additional Bonds.

Section 12.09. Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Indenture.

Section 12.10. Patriot Act. The Trustee hereby acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act (being the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001), each depository bank, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is

required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with a depository bank. The Trustee hereby acknowledges that it shall obtain such information from any party as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

Section 12.10. Waiver of Jury Trial. EACH OF THE ISSUER, THE HOLDERS, THE TRUSTEE, THE PAYING AGENT, AND THE REGISTRAR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE BONDS CONTEMPLATED HEREBY.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and on its behalf by its Chairman and, to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its name and on its behalf as of March 1, 2021.

**TOWN OF HUNTINGTON LOCAL
DEVELOPMENT CORPORATION**

By: _____
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF [_____])

On the ____ day of [_____] in the year 2021, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her capacity, and that by her signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Indenture of Trust
Signature Page 1 of 2

[_____] , as **Trustee**

By: _____
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF [_____])

On the ____ day of [_____] in the year 2021, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Indenture of Trust
Signature Page 2 of 2

EXHIBIT A

(FORM OF SERIES 2021 BONDS)

NOTICE:

THIS SERIES 2021[A/B/C] BOND HAS NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933 AND
MAY NOT BE SOLD OR TRANSFERRED
WITHOUT REGISTRATION UNDER SAID ACT
OR EXEMPTION THEREFROM.

TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS, SERIES 2021[A/B/C]
(GURWIN INDEPENDENT HOUSING, INC./FOUNTAINGATE GARDENS
PROJECT)

No. R-_____
Registered Owner: Cede & Co.
Interest Rate _____%

Principal Amount: \$_____
CUSIP No. _____
Maturity Date _____

TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation duly existing under the laws of the State of New York, having its principal office at c/o Huntington Community Development Agency, 100 Main Street, Suite 309, Huntington, New York 11743 (the “**Issuer**”), acknowledges itself indebted and for value received promises to pay, solely from the source and as hereinafter provided, to the Registered Owner set forth above at the address set forth on the registration books of U.S. Bank National Association, as trustee (said trustee and any successor thereto under the Indenture being herein collectively called the “**Trustee**”) as of its applicable Record Date, the principal amount set forth above on the Maturity Date set forth above or sooner as provided herein. The outstanding principal hereof shall bear interest from the date hereof at the per annum interest rate set forth above calculated on the basis of a three-hundred sixty (360) day year of twelve (12) thirty (30) day months (the “**Bond Rate**”) (except as otherwise provided herein), payable semi-annually on the first day of each January and July, commencing on [July 1, 2021] and continuing thereafter until said principal is paid in full. All capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed to such terms in Schedule A to the Indenture (as hereinafter defined), which Schedule A is hereby incorporated by reference in this Series 2021[A/B/C] Bond and made a part hereof. Payment of the principal of this Series 2021[A/B/C] Bond, and, if this Series 2021[A/B/C] Bond shall be redeemed prior to maturity, payment of the principal and redemption premium, if any, and interest accrued to the Redemption Date, shall be made upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, as Paying Agent of the Issuer, at 100 Wall Street, 6th Floor, New York, New York, 10005, Attention: Corporate Trust Services. (the “**Paying Agent**”), or at the office

designated for such payment by any successor Paying Agent or at such other place as may be agreed upon in advance by the Paying Agent and the registered Owner of this Series 2021[A/B/C] Bond. Interest (other than interest which is included in the Redemption Price) on this Series 2021[A/B/C] Bond due on any Debt Service Payment Date shall be payable to the Owner in whose name this Series 2021[A/B/C] Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date (i) by check or draft mailed on the Debt Service Payment Date to the Registered Owner, or (ii) by wire transfer on the Debt Service Payment Date to any Owner of at least \$500,000 in aggregate principal amount of Series 2021[A/B/C] Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date; provided, however that payment of interest on redemption of any Series 2021[A/B/C] Bond shall be made only upon presentation and surrender of such Bond as provided in the Indenture; provided, further, that if and to the extent there shall be a default in the payment of the interest due on any Debt Service Payment Date, the defaulted interest shall be paid to the Owner in whose name this Series 2021[A/B/C] Bond is registered at the close of business on a special record date established by notice mailed by or on behalf of the Issuer to the Owners of Series 2021[A/B/C] Bonds not less than fifteen (15) days preceding such special record date. Wire transfer payments of interest shall be made at such wire transfer address as the Owner shall specify in his notice requesting payment by wire transfer, provided that the Trustee has received sufficient information to make such wire transfer, including, but not limited to, ABA routing and account numbers. The principal, Redemption Price of, and interest on this Series 2021[A/B/C] Bond are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

Any payment of interest or principal, Entrance Fee Redemptions, or Sinking Fund Payments which are due on a day other than a Business Day shall be due and payable on the next succeeding Business Day with the same effect as if paid on the date due. “Business Day” means a day other than a Saturday, Sunday or legal holiday or day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

This Series 2021[A/B/C] Bond is one of a duly authorized series of the Issuer’s Revenue Bonds, Series 2021A (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued in the aggregate principal amount of [_____] AND 00/100 DOLLARS (\$[_____] (hereinafter called the “**Series 2021A Bonds**”), Revenue Bonds, Series 2021B (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued in the aggregate principal amount of [_____] AND 00/100 DOLLARS (\$[_____] (hereinafter called the “**Series 2021B Bonds**”) and its Revenue Bonds, Series 2021C (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued in the aggregate principal amount of [_____] AND 00/100 DOLLARS (\$[_____] (hereinafter called the “**Series 2021C Bonds**”, and together with the Series 2021A Bond, and Series 2021B Bonds the “**Series 2021 Bonds**”), on behalf of

Ex A

Gurwin Independent Housing, Inc., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725 (“**Institution**”).

The Series 2021 Bonds will be issued, pursuant to the Indenture (as defined below), to finance the following:

- (A) The financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as “**Fountaingate Gardens**”, that will be owned and operated by the Institution and located at 30 Hauppauge Road, Commack, New York 11725 (SCTM# 0400-251.00-01.00-018.001), on an approximately 10.47-acre site (the “**Land**”), including, but not limited to: (i) the construction of an approximately 171,121 square foot, five-story (inclusive of below-grade improvements) building known as Parkview, consisting of approximately one hundred two (102) one-bedroom and two-bedroom apartments, a below-grade parking garage, accessory/storage space, and assembly space (collectively, “**Parkview**”); (ii) the construction of an approximately 57,444 square foot, four-story building known as the Terraces, consisting of approximately twenty-seven (27) one-bedroom and two-bedroom terrace apartments, a parking garage, accessory/storage space, and assembly space (collectively, the “**Terraces**”); (iii) the construction of an approximately 20,130 square foot common area building to be used by residents of Parkview and the Terraces, consisting of fitness and exercise areas, an indoor pool area, locker room space, accessory/storage space, library, kitchen, marketplace, and dining spaces, a business area, and assembly space, as well as an art studio, a salon and day spa, game room and multi-purpose room (collectively, the “**Commons**”); and (iv) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 248,695 square feet of new buildings and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the “**Facility**”); and
- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds, capitalized interest on the Series 2021 bonds, working capital, funding a debt service reserve fund, and any other reserve funds in connection with the Facility or as may be necessary to secure the Series 2021 Bonds (the items financed in paragraphs (A) and (B) are referred to collectively as, the “**Project**”); and

Contemporaneously with the execution of the Indenture, the Issuer has loaned the proceeds of the Series 2021 Bonds to the Institution for the purposes of financing the

costs of the Project pursuant to a certain Loan Agreement, dated as of [_____] 1, 2021 (the “**Loan Agreement**”), by and between the Institution and the Issuer.

The Series 2021 Bonds are all issued under and are equally and ratably secured by and entitled to the protection of an Indenture of Trust, dated as of [_____] 1, 2021 (which Indenture as from time to time amended and supplemented is herein referred to as the “**Indenture**”), duly executed and delivered by the Issuer to the Trustee. In order to evidence the Institution’s obligation to repay the Series 2021 Bonds the proceeds of which were loaned by the Issuer to the Institution under the Loan Agreement, the Institution will issue to the Issuer a certain Series 2021A Promissory Note, dated as of [_____] 1, 2021 (the “**Series 2021A Promissory Note**”), a certain Series 2021B Promissory Note, dated as of [_____] 1, 2021 (the “**Series 2021B Promissory Note**”), and a certain Series 2021C Promissory Note (the “**Series 2021C Promissory Note**”) and together with the Series 2021A Promissory Note and the Series 2021B Promissory Note the “**Promissory Notes**” or “**Notes**”) in the aggregate principal amount of the Series 2021 Bonds.

The Institution, as the Obligated Group (as such term is defined in the Master Indenture), has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021A Bonds by the issuance of the Institution’s Obligation No. 1, dated March __, 2021 (the “**Series 2021A Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of March 1, 2021 (the “**Master Indenture**”), by and between the Institution and U.S. Bank National Association, as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 1, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 1**”), which Obligation No. 1, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021A Bonds.

The Institution, as Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021B Bonds by the issuance of Obligation No. 2, dated March __, 2021 (the “**Series 2021B Obligation**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 2**”), which Obligation No. 2, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021B Bonds

The Institution, as the Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021C Bonds by the issuance of Obligation No. 3, dated March __, 2021 (the “**Series 2021C Obligation**”); and together with the Series 2021A Obligation, and Series 2021B Obligation, the “**Series 2021 Obligations**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 3**”); and together with the Supplemental Indenture for Obligation No. 1, the Supplemental Indenture for Obligation No. 2, and the Supplemental Indenture for

Obligation No. 3, and the Master Indenture, the “**Master Indenture**”), which Obligation No. 3, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to this Indenture as security for the Series 2021C Bonds.

The Series 2021 Obligations and all Obligations issued pursuant to the Master Indenture will be secured by (i) the lien created by a Building Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “**Building Loan Mortgage**”), from the Institution to the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Mortgage and Security Agreement, dated March __, 2021 (the “**Assignment of Building Loan Mortgage**”), from the Issuer to the Master Trustee, (ii) the lien created by a Project Loan Mortgage and Security Agreement, dated as of March 1, 2021 (the “**Project Loan Mortgage**”), from the Institution to the Issuer, which Project Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated March __, 2021 (the “**Assignment of Project Loan Mortgage**”), and (iii) a pledge of Gross Revenues of the Obligated Group Members under the Master Indenture; and

To finance a portion of the Costs of the Project, the proceeds secured by the Building Loan Mortgage (the “**Building Loan Proceeds**”), will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated March __, 2021 (the “**Building Loan Agreement**”), among the Institution, the Issuer and the Trustee, and the provisions of this Indenture to pay for some or all of the direct cost of construction of the Facility (collectively, the “**Construction Costs**”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage; and

The Series 2021 Bonds will be further secured by (i) an Assignment of Development and Marketing Agreement dated March __, 2021 (the “**Assignment of Development and Marketing Agreement**”), from the Institution to the Issuer and the Master Trustee, (ii) an Assignment of Architect Agreement dated March __, 2021 (the “**Assignment of Architect Agreement**”), from the Institution to the Issuer and the Master Trustee, and (iii) an Assignment of Guaranteed Maximum Price Construction Agreement, dated March __, 2021 (the “**Assignment of Guaranteed Maximum Price Construction Agreement**”), from the Institution to the Issuer and the Master Trustee; and

Reference is hereby made to the Loan Agreement, the Indenture, the Notes, the Series 2021 Obligation, the Master Indenture and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee), for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Series 2021 Bonds and the terms upon which the Series 2021 Bonds are issued and secured.

Redemption of Series 2021 Bonds; Redemption Dates and Prices.

(a) The Series 2021 Bonds shall be subject to redemption prior to the respective maturities thereof on the terms and at the prices set forth in subsections (b), (c), (d), and (e) below.

(b) (i) The Series 2021A maturing on or after July 1, [2026], are subject to redemption by the Issuer, at the option of the Institution, on or after July 1, 2026, in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
July 1, 2026 through June 30, 2027	104%
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

(ii) The Series 2021B Bonds and Series 2021C Bonds are not subject to optional redemption prior to their respective maturity dates.

The Institution may direct such prepayment only if it shall prepay an amount under the Loan Agreement equal to the amount of the prepayment price described above.

(c) The Series 2021 Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Facility shall be on deposit in the Bond Fund pursuant to Section 7.1(a)(iii)(B) or 7.2(a)(iii)(B) of the Loan Agreement; or

(ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to Section 4.04(c) hereof.

(d) (i) The Series 2021A Bonds maturing on or after July 1, 20[] are subject to mandatory redemption in part commencing on July 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund</u>	<u>Amount</u>
<u>Payment Date</u>	
<u>July 1</u>	

*

*Final Maturity TOTAL \$

(ii) The Series 2021B Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “**Series 2021B Entrance Fee Redemption Date**”) at the principal amount thereof being redeemed plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021B Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021B Bonds on any Series 2021B Entrance Fee Redemption Date shall not constitute an Event of Default under this Indenture or under the Loan Agreement or this Indenture. Notwithstanding the foregoing, no Series 2021B Entrance Fee Redemption shall be made so long as any Series 2021C Bonds remain Outstanding.

(iii) The Series 2021C Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and September 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “**Series 2021C Entrance Fee Redemption Date**”, and together with the Series 2021B Entrance Fee Redemption Dates, the “**Entrance Fee Redemption Dates**”) at the principal amount thereof plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Series 2021C Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof.

The failure to redeem Series 2021C Bonds on any Series 2021C Entrance Fee Redemption Date shall not constitute an Event of Default under this Indenture or under the Loan Agreement or this Indenture.

Ex A
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(e) The Series 2021 Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Institution of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the Institution, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

(f) The Institution shall have the option to cause any Series 2021 Bonds to be purchased by the Institution, or its designee, in lieu of redemption pursuant to paragraph (b) above. Such option may be exercised by delivery to the Trustee of a written notice of the Institution specifying that the Series 2021 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture. Upon delivery of such notice, the Series 2021 Bonds shall not be redeemed but shall be purchased at a price equal to the redemption price specified above, and if so purchased, the Series 2021 Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided herein. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Series 2021 Bonds for federal tax purposes

Notice of Redemption.

(a) The Trustee shall call the Series 2021 Bonds for redemption as provided in subsections (b), (c) or (e) under the heading “Redemption of Series 2021 Bonds; Redemption Dates and Prices” above upon receipt of notice from the Issuer or the Institution directing such redemption, which notice shall be sent to the Trustee at least forty-five (45) days prior to the Redemption Date specified in such notice and shall specify (i) the principal amount of the Series 2021 Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions of the Indenture pursuant to which such Series 2021 Bonds are to be called for redemption. The Trustee shall call the Series 2021 Bonds for redemption as provided in paragraph (d) under the heading “Redemption of Series 2021 Bonds; Redemption Dates and Prices” above for the applicable Sinking Fund Payment dates without need for direction from the Institution or the Issuer.

(b) When the Series 2021 Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of such Bonds in the name of the Issuer stating: (i) the Series 2021 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if

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sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

(c) Notice required by subsection (b) above shall be given by mail at least thirty (30) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2021 Bonds.

(d) Notwithstanding any other provision of subsection (b) above, any notice of redemption given with respect to a Book Entry Bond shall comply with the requirements for notice contained in the Depository Letter from the Issuer to the Depository relating to such Book Entry Bond. Notice of any redemption hereunder with respect to Bonds held under a Book Entry System shall be given by the Bond Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

As used in this Series 2021 Bond:

(1) “Event of Taxability” means

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof for Federal income tax purposes; or

(B) the delivery to the Institution and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Institution) to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof for Federal income tax purposes.

Reference to any article or section of any statute in this Series 2021 Bond shall be deemed to be reference to any similar, corresponding or replacement article or section of any future statute.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Registered Owners of the Series 2021 Bonds at any time by the Issuer with the consent of the Institution and of the Registered Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series 2021 Bonds at the time Outstanding thereunder. Any such consent shall be conclusive and binding upon each such registered owner and upon all future owners of each Bond and of any such Series

2021 Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon. The Indenture also contains provisions pursuant to which the Registered Owners of fifty-one percent (51%) of the aggregate principal amount of Series 2021 Bonds outstanding may direct the Trustee to waive certain defaults.

The Series 2021 Bonds are special obligations of the Issuer and are payable solely from the payments derived under the Loan Agreement, the Notes and the Indenture. Payments pursuant to the Loan Agreement are required to be made by the Institution directly to the Trustee and to be deposited in a separate Bond Fund held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Series 2021 Bonds.

THIS SERIES 2021[A/B/C] BOND IS NOT AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY MUNICIPALITY OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION THE TOWN OF HUNTINGTON), AND NEITHER THE STATE OF NEW YORK NOR ANY MUNICIPALITY OF THE STATE (INCLUDING WITHOUT LIMITATION THE TOWN OF HUNTINGTON) SHALL BE LIABLE HEREON. NEITHER THE MEMBERS, OFFICERS, AGENTS OR EMPLOYEES OF THE ISSUER NOR ANY PERSON EXECUTING THIS SERIES 2021[A/B/C] BOND SHALL BE LIABLE PERSONALLY OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

Upon initial issuance, except as otherwise provided in the Indenture, the ownership of this Series 2021[A/B/C] Bond shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). So long as the Series 2021 Bonds are held in book-entry form, the nominee of the securities depository shall be considered the registered holder for all purposes. So long as DTC or Cede & Co. as nominee for DTC is the registered holder of the Series 2021 Bonds, DTC shall be considered the only holder of the Series 2021 Bonds for all purposes under the Indenture. Ownership interests and transfers of ownership interests in the Series 2021 Bonds will be accomplished by book entries made by DTC as provided in the Indenture.

This Series 2021 Bond is fully negotiable and transferable, as provided in the Indenture, only upon compliance with the restrictions set forth in the legend to this Series 2021 Bond and only upon the books of the Issuer kept by the Trustee, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon the surrender of this Series 2021 Bond, together with a written instrument of transfer satisfactory to the Trustee. Thereupon a new bond or bonds, in registered form, in the same aggregate principal amount and of the same maturity and rate of interest shall be issued to the transferee in exchange therefor, subject to the conditions and upon payment of the charges provided in the Indenture.

The Issuer, the Trustee and any additional Paying Agent may deem and treat the person in whose name this Series 2021[A/B/C] Bond is registered as the absolute owner hereof, whether this Series 2021[A/B/C] Bond shall be overdue or not, for the purpose of

receiving payment of the principal of, the redemption premium, if any, and interest on this Series 2021[A/B/C] Bond and for all other purposes. All such payments so made to the registered Owner shall be valid and effectual to satisfy and discharge the liability upon this Series 2021[A/B/C] Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee nor any additional Paying Agent shall be affected by any notice to the contrary.

The Owner of this Series 2021[A/B/C] Bond shall have no right to enforce the provisions of the Indenture or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as otherwise expressly provided in the Indenture. In addition, the right of the owner of this Series 2021[A/B/C] Bond to institute or prosecute a suit for the enforcement of payment hereof or to enter a judgment in any such suit is limited to the extent that such action would result in the surrender, impairment, waiver or loss of the lien of the Indenture for the equal and ratable benefit of all Owners of the Series 2021 Bonds.

This Series 2021 [A/B/C] Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2021[A/B/C] Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Series 2021[A/B/C] Bond and the issue of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional, statutory or corporate limitations.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION has caused this Series 2021[A/B/C] Bond to be executed in its name by the manual or facsimile signature of its Chairman, Chief Executive Officer, or other authorized officer as of the [] day of [], 2021.

**TOWN OF HUNTINGTON LOCAL
DEVELOPMENT CORPORATION**

By: _____
Name:
Title:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Series 2021[A/B/C] Bond is one of the Bonds described in the within mentioned Indenture.

_____, AS TRUSTEE

Dated: ____] __], 2021

By: _____
Authorized Signatory

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, (please print or typewrite name and address of transferee) _____ the within Bond and all right and title thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

**SIGNATURE GUARANTEED
MEDALLION GUARANTEED**

Authorized Signature

(Signature Guarantee Program Name)
Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)

(END OF FORM OF SERIES 2021 BONDS)

EXHIBIT B

(FORM OF REQUISITION)

GURWIN INDEPENDENT HOUSING, INC.

_____, 20__

[_____]
[_____]
[_____]
Attention: [_____]

Re: Certificate of Requisition Number ____

Gentlemen:

This Certificate of Requisition is made pursuant to Section 4.04 of the Indenture of Trust, dated as of [_____] 1, 2021 (the "Indenture"), between the Town of Huntington Local Development Corporation (the "Issuer") and U.S. Bank National Association, as Trustee (the "Trustee"). All definitions in the Indenture are hereby incorporated by reference.

We hereby request that the sum of _____ Dollars (\$_____) be disbursed by you to us from the [Construction] [Costs of Issuance] Account of the Project Fund established and held by you under the Indenture.

Attached hereto as Schedule Number 1 is a general description of the Costs of the Project covered by this Certificate of Requisition and the manner in which such payment is to be made.

[In respect of the Costs of Issuance described in Schedule Number 1 hereto, we hereby certify that: (1) each obligation paid or payable in connection therewith has been properly recorded on our books, (2) each such obligation is a proper charge against the Cost of Issuance Account of the Project Fund, (3) no such obligation is the basis of any previous withdrawal from the Cost of Issuance Account of the Project Fund, (4) such obligations are permitted under the Tax Compliance Agreement, and (5) we are not in default under the Loan Agreement and nothing has occurred to our knowledge which prevents performance of our obligations under the Loan Agreement.]

[In respect of the Cost of the Project described in Schedule Number 1 hereto, we hereby certify that: (1) each obligation paid or payable in connection therewith has been properly recorded on our books, (2) each such obligation is a proper charge against the Project Fund, (3) no such obligation is the basis of any previous withdrawal from the Project Fund, (4) such obligations will not result in less than 95% of the Net Proceeds (including any investment earnings thereon) being used for land or depreciable property, (5) the cost to us of the portion of Improvements or Equipment covered by this

Certificate of Requisition is not less than the amount to be paid to us hereunder, (6) none of the items for which requisition is made constitutes equipment (including fixtures) other than equipment listed on an accompanying schedule, and (7) we are not in default under the Loan Agreement and nothing has occurred to our knowledge which prevents performance of our obligations under the Loan Agreement.]

(Remainder of page intentionally left blank, signature page to follow)

GURWIN INDEPENDENT HOUSING, INC.

Dated: _____

By: _____
Authorized Representative

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SCHEDULE NUMBER 1SCHEDULE A

SCHEDULE OF DEFINITIONS

“Account” means any Account within any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Act” means Section 1411 of the New York Not-For-Profit Corporation Law.

“Additional Bonds” or “Series of Additional Bonds” means any Series of Additional Bonds issued by the Issuer on behalf of the Institution pursuant to Section 2.14 of the Indenture.

“Applicable Elected Representative” means any Person constituting an “applicable elected representative” within the meaning given to the term in Section 147(f)(2)(E) of the Code.

“Assignment of Architect Agreement” means the Assignment of Architect Agreement dated [_____] , 2021, from the Institution to the Issuer and the Master Trustee.

“Assignment of Building Loan Mortgage” means the Assignment of Building Loan Mortgage and Security Agreement, dated [_____] , 2021, from the Issuer to the Master Trustee.

“Assignment of Development and Marketing Agreement” means the Assignment of Development and Marketing Agreement dated [_____] , 2021, from the Institution to the Issuer and the Master Trustee.

“Assignment of Guaranteed Maximum Price Construction Agreement” means the Assignment of Guaranteed Maximum Price Construction Agreement dated [_____] , 2021, from the Institution to the Issuer and the Master Trustee.

“Assignment of Project Loan Mortgage” means the Assignment of Project Loan Mortgage and Security Agreement, dated [_____] [_____] 2021, from the Issuer to the Master Trustee.

“Authenticating Agent” means the Trustee.

“Authorized Investments” has the meaning given to the term “Permitted Investments” in the Master Trust Indenture.

“Authorized Representative” means, in the case of the Issuer, the Chief Executive Officer, Chairman, or any other authorized member of the Issuer; in the case of the Institution, the President or Chief Executive Officer of the Institution; and, in the case of either of the Issuer or the Institution, such additional persons as, at the time, are designated to act on behalf of the Issuer or the Institution, as the case may be, by written

certificate furnished to the Trustee, the Issuer or the Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chief Executive Officer, Chairman or any other authorized member of the Issuer, or (ii) the Institution by the President or Chief Executive Officer of the Institution.

“Beneficial Owner” means whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Bonds are not held in the Book-Entry System, Beneficial Owner shall mean “Holder” for purposes of the Bond Documents.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a Book Entry System.

“Bond” or “Bonds” means collectively, the Series 2021 Bonds and any Series of Additional Bonds.

“Bond Counsel” means the law firm of Harris Beach PLLC or an attorney or other firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” means the Master Indenture, the Series 2021 Obligations, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Building Loan Agreement, the Tax Compliance Agreement, the Promissory Notes, the Building Loan Mortgage, the Assignment of Building Loan Mortgage, the Project Loan Mortgage, the Assignment of Project Loan Mortgage, the [Collateral Assignment of Residency Agreements], the Assignment of Development and Marketing Agreement, the Assignment of Architect Agreement, the Assignment of Guaranteed Maximum Price Construction Agreement, the Environmental Compliance and Indemnification Agreement, the Continuing Disclosure Agreement and the Official Statement.

“Bond Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated [____], 2021, among the Issuer, the Institution and the Underwriter, as the same may be amended from time to time.

“Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Bonds.

“Bond Rate” means the tax-exempt rate of interest from time to time payable on any of the Bonds as defined therein.

“Bond Registrar” means the Trustee as bond registrar with respect to the Bonds and its successors and assigns in such capacity.

“Bond Resolution” means the resolution duly adopted by the Issuer on June 17, 2021, authorizing the issuance, execution, sale and delivery of the Series of 2021 Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

“Bond Year” means with respect to the Bonds, each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer (and approved by the Institution), which must be the last day of a compounding interval used in computing the yield on the Bonds.

“Bondholder” means Owner.

“Book Entry Bonds” means Bonds held in Book Entry Form with respect to which the provisions of Section 213 of the Indenture shall apply.

“Book Entry Form” or “Book Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (A) the Beneficial Ownership Interests may be transferred only through a book entry and (B) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository or a custodian on behalf of the Depository. The Book Entry System which is maintained by and the responsibility of the Depository (and which is not maintained by or the responsibility of the Issuer or the Trustee) is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Bonds.

“Building Loan Agreement” means the Building Loan Agreement, dated as of March 1, 2021 among the Institution, the Issuer and the Trustee.

“Building Loan Mortgage” means the Building Loan Mortgage, dated as of March __, 2021 from the Institution to the Issuer.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

“Capitalized Interest Account” means the account within the Project Fund, so designated which is established by Section 4.01 of this Indenture.

“Certificate of Authentication” means the certificate executed by an authorized signatory of the Trustee certifying the due authentication of each of the Bonds issued under the Indenture.

“Closing Date” means the date of sale and delivery of the Series 2021 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed rules, regulations, rulings and interpretations of the Department of the Treasury promulgated thereunder.

[“Collateral Assignment of Residency Agreements” means the Collateral Assignment of Residency Agreements dated [____], 2021, from the Institution to the Master Trustee].

“Completion Certificate” means the Completion Certificate delivered by the Institution to the Issuer and the Trustee pursuant to Section 4.4 of the Loan Agreement.

“Completion Date” means the date of completion of the Project as certified to pursuant to Section 4.4 of the Loan Agreement.

“Computation Period” means “Computation Period” as defined in the Tax Compliance Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

“Construction Account” means the account so designated within the Project Fund, which is established by Section 4.01 of this Indenture.

“Construction Period” means the period of the construction of the Facility commencing on the [Closing Date] and ending on the [Completion Date].

“Consultant” has the meaning given to such term in the Master Trust Indenture.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of March __, 2021, between the Institution and the Trustee.

“Cost of Issuance Account” means the account within the Project Fund, so designated which is established by Section 4.01 of this Indenture.

“Cost of the Project” or “Costs of the Project” means all those costs and items of expense listed in Section 4.3 of the Loan Agreement.

“Cumulative Cash Loss” means, commencing with the Initial Occupancy Date, the sum, on a cumulative basis, of resident service revenues (excluding amortization of Entrance Fees), plus other operating revenues, plus Unrestricted Contributions, plus Entrance Fees (excluding Initial Entrance Fees until the Series 2021B Bonds and Series 2021C Bonds are repaid and the Entrance Fee Fund is closed), plus investment earnings minus (a) Entrance Fees refunded to residents and (b) the aggregate of all operating expenses (including development fees) and capital expenditures which are not related to Facilities financed with moneys other than the proceeds of the Series 2021 Bonds excluding

(i) depreciation and amortization and other non-cash expenses, and (ii) any cost, fee or expense paid from the proceeds of the Series 2021 Bonds or interest earnings thereon.

“Cumulative Cash Loss Covenant” shall mean the covenant of the Institution to maintain certain levels of Cumulative Cash Loss as set forth in Section 8.14(ii) of the Loan Agreement.

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Bonds.

“Debt Service Payment Date” means any date on which a Debt Service Payment shall be payable on any Bonds.

“Debt Service Reserve Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Debt Service Reserve Fund Requirement” means with respect to the Series 2021A Bonds _____, with respect to the Series 2021B Bonds _____, and with respect to the Series 2021C Bonds _____.

“Depository” means, initially, The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other securities depository designated in any supplemental resolution of the Issuer to serve as securities depository for the Bonds that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Book Entry Bonds.

“Depository Letter” means (A), with respect to the Initial Bonds, the Initial Depository Letter, and (B), with respect to any series of Additional Bonds issued as Book Entry Bonds, any letter of representations by and among the Issuer, the Trustee and the Depository relating to such series of Additional Bonds, and any amendments or supplements thereto entered into with respect thereto. “Dissemination Agent” shall have the meaning ascribed to such term in the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Letter of Representation” means the Letter of Representation from the Issuer to DTC.

“Entrance Fee” “Entrance Fees” means the fees so designated to be paid by each resident of the Facility pursuant to the Residency Agreement and any deposit in respect thereof.

“Entrance Fee Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Entrance Fee Redemption” has the meaning specified in Section 3.01(d)(iii) of the Indenture.

“Entrance Fee Redemption Date” has the meaning specified in Section 3.01(d)(iii) of the Indenture.

“Environmental Compliance and Indemnification Agreement” means the Environmental Compliance and Indemnification Agreement dated as of March 1, 2021, by and among the Institution, the Issuer, and the Trustee.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Project and financed with Bond Proceeds.

“Event of Default” (i) when used with respect to the Indenture means any of those events defined as an Event of Default by Section 8.01 of the Indenture, and (ii) when used with respect to the Loan Agreement, means any of the events defined as Events of Default by Section 10.1 of the Loan Agreement.

“Event of Taxability” means, with respect to the Series 2021 Bonds:

(i) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code; or

(ii) the delivery to the Institution and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Institution) to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code.

“Exempt Organization” means an organization described in Section 501(c)(3) of the Code and which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“Facility” shall have the meaning ascribed thereto in the recitals to the Indenture.

“Fiscal Year” means the twelve (12) month period beginning on January 1 in any year or such other fiscal year as the Institution may select from time to time.

“Fitch” means Fitch Ratings and its successors and assigns.

“Fund” means any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Government Obligations” means the obligations listed in paragraph (a), (b) and (c) of the definition of “Permitted Investments” in the Master Trust Indenture.

“Governing Body” has the meaning given to such term in the Master Trust Indenture.

“Gross Revenues” has the meaning given to such term in the Master Trust Indenture.

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Holder” means Owner.

“Improvements” means all those buildings, improvements, structures and other related facilities (i) financed with Series 2021 Bond Proceeds or from any payment by the Institution pursuant to the Loan Agreement, and (ii) not part of the Equipment, all as they may exist from time to time.

“Indebtedness” has the meaning given to such term in the Master Trust Indenture.

“Indenture” means the Indenture of Trust, dated as of March 1, 2021, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 2021 Bonds and the security therefor as the same may be amended or supplemented from time to time.

“Independent Counsel” means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and does not have any employment relationship with the Issuer, the Institution or the Trustee or any affiliates thereof.

“Independent Living Units” means independent living units that are or will be Property of the Institution.

“Information Report” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required to monitor the State volume limitations.

“Initial Entrance Fee” has the meaning given to such term in the Master Trust Indenture.

“Initial Occupancy Date” means the earliest date a resident has taken physical possession of one of an Independent Living Unit.

“Institution” shall mean Gurwin Independent Housing, Inc., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725.

“Institution Documents” means the Bond Purchase Agreement, the Loan Agreement, the Building Loan Mortgage, the Project Loan Mortgage, the Building Loan Agreement, the [Collateral Assignment of Residency Agreements], the Assignment of Development and Marketing Agreement, the Assignment of Architect Agreement, the Assignment of Guaranteed Maximum Price Construction Agreement, the Environmental Compliance Agreement, the Tax Compliance Agreement, the Notes, the Series 2021 Obligations, the Master Indenture, the Obligations, the Continuing Disclosure Agreement and the Official Statement.

“Interest Account” means the Interest Account within the Bond Fund so designated which is established by Section 4.01 of the Indenture.

“Interest Payment Date” means with respect to the Series 2021 Bonds, any Debt Service Payment Date on which interest is due and payable on any Series of the Series 2021 Bonds.

“Issuer” means (i) the Town of Huntington Local Development Corporation, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Series 2021 Bonds, the Loan Agreement, the Indenture, the Assignment of Building Loan Mortgage, the Assignment of Project Loan Mortgage, the Building Loan Agreement, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Information Report and the Official Statement.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” also means any reservations, exceptions, encroachments, easements,

rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Liquidity Requirement” shall have the meaning given to such term in the Master Trust Indenture.

“Liquidity Support Agreement” means the Liquidity Support Agreement dated as of March __, 2021 by and among Gurwin Jewish Geriatric Foundation, Inc. d/b/a/ Gurwin Jewish Healthcare Foundation, as Liquidity Provider, the Institution and the Master Trustee, entered into in connection with the issuance of the Series 2021 Bonds.

“Loan Agreement” means, the Loan Agreement, dated as of March 1, 2021 by and among the Issuer and the Institution, or any other Loan Agreement entered into in connection with any Series of Additional Bonds, as the same may be amended from time to time.

“Loan Term” means the duration of the loan term created in the Loan Agreement.

“Marketing and Occupancy Targets” shall have the meaning given to such term in the Master Trust Indenture.

“Master Indenture” means the Master Trust Indenture, as the same may be amended, modified or supplemented from time to time, including as supplemented by the Supplemental Indenture for Obligation No. 1A, dated as of March __, 2021, the Supplemental Indenture for Obligation No. 2, dated as of March __, 2021, and the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 each between the Institution and the Master Trustee.

“Master Trust Indenture” means the Master Trust Indenture, dated as of March __, 2021, by and between the Institution and U.S. Bank National Association, as master trustee.

“Master Trustee” means U.S. Bank National Association, a national banking association, its successor and assigns.

“Moody’s” means Moody’s Investor Service.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

“Notes” or “Promissory Notes” means, collectively, the Series 2021A Promissory Note, the Series 2021B Promissory Note, and the Series 2021C Promissory Note.

“Obligated Group Member” or “Member of the Obligated Group” means the Institution, and any additional members admitted to the Obligated Group in accordance with the provisions of the Master Trust Indenture.

“Obligation No. 1” means Obligation No. 1, dated the Closing Date and issued under the Master Indenture to secure the obligations of the Institution under the Loan Agreement, the Series 2021A Bonds and the other Institution Documents.

“Obligation No. 2” means Obligation No. 2 dated the Closing Date and issued under the Master Indenture to secure the obligations of the Institution under the Loan Agreement, the Series 2021B Bonds and the other Institution Documents.

“Obligation No. 3” means Obligation No. 3, dated the Closing Date and issued under the Master Indenture to secure the obligations of the Institution under the Loan Agreement, the Series 2021C Bonds and the other Institution Documents.

“Occupied” has the meaning given to such term in the Master Trust Indenture.

“Obligations” means those obligations entered into under the Master Trust Indenture to secure the obligations of Obligated Group Members, and with respect to the Series 2021A Bonds, Obligation No. 1, with respect to the Series 2021B Bonds, Obligation No. 2, and with respect to the Series 2021C Bonds, Obligation No. 3.

“Office of the Trustee” means the principal corporate trust office of the Trustee, as specified in Section 12.04 of the Indenture, or such other address as the Trustee shall designate.

“Officer’s Certificate” has the meaning given to such term in the Master Trust Indenture.

“Official Statement” means the Official Statement, dated January __, 2021, distributed by the Underwriter and the Institution in connection with the sale of the Series 2021 Bonds.

“Operating Reserve Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered and those fees and expenses normally incurred by or due to a trustee or paying agent, as the case may be, under instruments similar to the Indenture, including reasonable fees and disbursements of counsel for the Trustee.

“Outstanding” or “Bonds Outstanding” or “Outstanding Bonds” means all bonds which have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any supplement thereto, except: (i) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (ii) any bond deemed paid in accordance with the provisions of Section 7.01 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being

exchanged or registered; and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Section 2.09 of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“Owner” or “Owners” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

“Paying Agent” means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article IX of the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

“Participants” means those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Permitted Encumbrances” has the meaning given to such term in the Master Trust Indenture.

“Person” or “Persons” means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“Preliminary Official Statement” means collectively, the Preliminary Official Statement, dated [____], distributed by the Underwriter and the Institution in connection with the sale of the Series 2021 Bonds.

“Principal Account” means the Principal Account within the Bond Fund, so designated which is established by Section 4.01 of the Indenture.

“Project Fund” means the fund so designated which is created by Section 4.01 of the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Rating Agency” means Moody’s, Fitch, S&P or such other nationally recognized rating agency which shall have issued and is maintaining a rating on the Bonds.

“Rating Agency Letter” means the rating letter from each Rating Agency assigning a rating on the Bonds.

“Rebate Amount” means the amount computed as described in the Tax Compliance Agreement.

“Rebate Fund” means the fund so designated pursuant to Section 4.01 of the Indenture.

“Record Date” means, with respect to any Debt Service Payment Date, the fifteenth (15th) day of the month next preceding such Debt Service Payment Date (whether or not a Business Day).

“Redemption Date” means, when used with respect to a Bond, the date of redemption thereof established pursuant to Section 3.01 of the Indenture.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the Indenture.

“Refunding Bonds” shall have the meaning ascribed thereto in Section 2.14(c) of the Indenture.

“Required Information Recipient” has the meaning given to such term in the Master Trust Indenture.

“Residency Agreement” means any written agreement or contract, as amended from time to time, between the Institution and a resident or potential resident of the Facility giving the resident certain rights of occupancy in the Facility, including without limitation, with respect to independent living units, assisted living units, memory support units, skilled nursing beds or specialty care beds and providing for certain services to such resident including any reservation agreement or other agreement or contract reserving rights of occupancy.

“Reserved Units” has the meaning given to such term in the Master Trust Indenture.

“Schedule of Definitions” means the words and terms set forth in this Schedule of Definitions attached to the Indenture as the same may be amended from time to time.

“Securities Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“Series 2021 Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Series 2021 Bonds.

“Project” shall have the meaning set forth in the recitals of the Indenture.

“Series 2021A Bonds” means the Issuer’s Revenue Bonds, Series 2021A (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued pursuant to the terms of the Indenture on March __, 2021 in the aggregate principal amount of \$[_____] and substantially in the form of Exhibit A of the Indenture.

“Series 2021A Promissory Note” means the Series 2021A Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit B to the Loan Agreement, together with Endorsement from the Issuer to the Trustee, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Series 2021A Obligation” means Obligation No. 1.

“Series 2021 Bonds” means, collectively, the Series 2021A Bonds, the Series 2021B Bonds, and the Series 2021C Bonds.

“Series 2021B Bonds” means the Issuer’s Revenue Bonds, Series 2021B (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued pursuant to the terms of the Indenture on March __, 2021 in the aggregate principal amount of \$[_____] and substantially in the form of Exhibit A of the Indenture.

“Series 2021B Entrance Fee Redemption Date” has the meaning specified in Section 3.01(d)(ii) of the Indenture.

“Series 2021B Promissory Note” means the Series 2021B Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit B to the Loan Agreement, together with Endorsement from the Issuer to the Trustee, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Series 2021B Obligation” means Obligation No. 2.

“Series 2021C Bonds” means the Issuer’s Revenue Bonds, Series 2021C (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) issued pursuant to the terms of the Indenture on March __, 2021 in the aggregate principal amount of \$[_____] and substantially in the form of Exhibit A of the Indenture.

“Series 2021C Entrance Fee Redemption Date” has the meaning specified in Section 3.01(d)(iii) of the Indenture.

“Series 2021C Entrance Fee Redemption Date” has the meaning specified in Section 3.01(d)(iii) of the Indenture.

“Series 2021C Promissory Note” means the Series 2021C Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit B to the Loan Agreement, together with Endorsement from the Issuer to the Trustee, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Series 2021C Obligation” means Obligation No. 3.

“Series 2021 Obligations” means, collectively, the Series 2021A Obligation, the Series 2021B Obligation, and the Series 2021C Obligation.

“Sinking Fund Payments” means payments made on a Debt Service Payment Date to pay the Redemption Price of bonds called for redemption pursuant to Section 3.01(d)(i) of the Indenture.

“Special Redemption Fund” means the fund so designated, which is established by Section 4.01 of the Indenture.

“S&P” or “Standard & Poor’s” means Standard & Poor’s Financial Services LLC, a Delaware limited liability company which is a subsidiary of McGraw Hill Financial, Inc.

“Stabilization” means the date on which both (i) the percentage occupancy of the Independent Living Units is equal to or greater than 85%, and (ii) the redemption in full of all of the Series 2021B bonds and Series 2021C Bonds.

“State” means the State of New York.

“Subaccount” means any subaccount established for a particular Series of Bonds in any Account in any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Substitute Facility” shall have the meaning ascribed thereto in Section 7.2 of the Loan Agreement.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture or in connection with the issuance of any Additional Bonds adopted by the Issuer in accordance with Article X of the Indenture.

“Supplemental Indenture for Obligation No. 1” means the Supplemental Indenture for Obligation No. 1, dated as of March 1, 2021, by and between the Institution and the Master Trustee.

“Supplemental Indenture for Obligation No. 2” means the Supplemental Indenture for Obligation No. 2, dated as of March 1, 2021, by and between the Institution and the Master Trustee.

“Supplemental Indenture for Obligation No. 3” means the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021, by and between the Institution and the Master Trustee.

“Tax-Exempt Bonds” means the Series 2021 Bonds and any Additional Bonds issued hereunder as bonds the interest on which is excluded from gross income for federal income tax purposes.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated the Closing Date, among the Issuer, the Institution and the Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and with the terms of the Indenture, or any other Tax Compliance Agreement entered into in connection with any Series of Additional Bonds which are Tax-Exempt Bonds.

“Testing Date” means, with respect to Cumulative Cash Loss, the last day of each fiscal quarter beginning with the first full fiscal quarter following Initial Occupancy and ending with the first full fiscal quarter immediately preceding Stabilization.

“Trust Estate” means the rights assigned pursuant to the Indenture and all Property which may from time to time be subject to the lien of the Indenture.

“Trustee” means (i) U.S. Bank National Association, a national Banking Association organized under the laws of United States, having a corporate trust office at 100 Wall Street, 6th Floor New York, New York 10005, Attention: Global Corporate Trust Services, and (ii) its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

“Unassigned Rights” means the rights of the Issuer and moneys payable pursuant to and under Sections 5.3(a), 5.3(c), 6.4(c) and (d), 6.5, 6.7, 8.2, 8.3, 8.6, 8.8, 8.12, 9.1, 9.3, 10.2(a)(i)(A) and (B) and (iii) 10.4(a) and 11.2(b) of the Loan Agreement.

“Uniform Commercial Code” or “UCC” means the Uniform Commercial Code of the State of New York.

“Underwriter” means, (i) Herbert J. Sims & Co., Inc., having an office at 2150 Post Road, Suite 301, Fairfield, Connecticut 06824, or (ii) its successors and assigns.

“Working Capital Fund” means, the fund so designated which is established by Section 4.01 of the Indenture.

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TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION
(TOWN OF HUNTINGTON, NEW YORK)

and

GURWIN INDEPENDENT HOUSING, INC.

LOAN AGREEMENT

Dated as of March 1, 2021

\$_[]

Town of Huntington Local Development Corporation
Revenue Bonds, Series 2021A
(Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

and

\$_[]

Town of Huntington Local Development Corporation
Revenue Bonds, Series 2021B
(Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

and

\$_[]

Town of Huntington Local Development Corporation
Revenue Bonds, Series 2021C
(Gurwin Independent Housing, Inc./Fountaingate Gardens Project)

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EXHIBIT A	EQUIPMENT
EXHIBIT B	FORM OF SERIES 2021 PROMISSORY NOTES

THIS LOAN AGREEMENT, dated as of March 1, 2021 (this “**Loan Agreement**”), is by and between the TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION, a local development corporation existing under the laws of the State of New York, having its principal office at c/o Huntington Community Development Agency, 100 Main Street, Suite 309, Huntington, New York 11743 (the “**Issuer**”), and GURWIN INDEPENDENT HOUSING, INC., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725 (the “**Institution**”).

RECITALS

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”) of the State of New York (the “State”), as amended (hereinafter collectively called the “Act”), a resolution adopted by the Town Board of The Town of Huntington, and pursuant to its certificate of incorporation, the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Issuer proposes to issue, pursuant to the terms of this Indenture, its \$[] Revenue Bonds, Series 2021A (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021A Bonds**”), its \$[] Revenue Bonds, Series 2021B (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021B Bonds**”) and its \$[] Revenue Bonds, Series 2021C (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021C Bonds**”), and together with the Series 2021A Bonds and the Series 2021B Bonds, the “**Series 2021 Bonds**”), under Section 145 of the Internal Revenue Code of 1986, as amended (the “**Code**”), on behalf of the Institution; and;

WHEREAS, the Series 2021 Bonds will be issued to finance the following:

- (A) The financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as “**Fountaingate Gardens**”, that will be owned and operated by the Institution and located at 30 Hauppauge Road, Commack, New York 11725 (SCTM# 0400-251.00-01.00-018.001), on an approximately 10.47-acre site (the “**Land**”), including, but not limited to: (i) the construction of an approximately 171,121 square foot, five-story (inclusive of below-grade improvements) building known as Parkview, consisting of approximately one hundred two (102) one-bedroom and two-bedroom apartments, a below-grade parking garage,

accessory/storage space, and assembly space (collectively, “**Parkview**”); (ii) the construction of an approximately 57,444 square foot, four-story building known as the Terraces, consisting of approximately twenty-seven (27) one-bedroom and two-bedroom terrace apartments, a parking garage, accessory/storage space, and assembly space (collectively, the “**Terraces**”); (iii) the construction of an approximately 20,130 square foot common area building to be used by residents of Parkview and the Terraces, consisting of fitness and exercise areas, an indoor pool area, locker room space, accessory/storage space, library, kitchen, marketplace, and dining spaces, a business area, and assembly space, as well as an art studio, a salon and day spa, game room and multi-purpose room (collectively, the “**Commons**”); and (iv) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 248,695 square feet of new buildings and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the “**Facility**”); and

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds, capitalized interest on the Series 2021 bonds, working capital, funding a debt service reserve fund, and any other reserve funds in connection with the Facility or as may be necessary to secure the Series 2021 Bonds (the items financed in paragraphs (A) and (B) are referred to collectively as, the “**Project**”); and

WHEREAS, the Issuer is issuing the Series 2021 Bonds pursuant to the terms of an Indenture of Trust, dated as of March 1, 2021 (the “**Indenture**”), by and between the Issuer and U.S. Bank National Association, as trustee (the “**Trustee**”); and

WHEREAS, contemporaneously with the execution of the Indenture, the Issuer will loan a portion of the proceeds of the Series 2021 Bonds to the Institution pursuant to this Loan Agreement for the purposes of financing the Costs of the Project; and

WHEREAS, the Institution, as the Obligated Group (as such term is defined in the Master Indenture), has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021A Bonds by the issuance of the Institution’s Obligation No. 1, dated March __, 2021 (the “**Series 2021A Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of March 1, 2021 (the “**Master Indenture**”), by and between the Institution and U.S. Bank National Association, as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 1, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 1**”), which Obligation No. 1, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021A Bonds; and

WHEREAS, the Institution, as Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021B Bonds by the

issuance of Obligation No. 2, dated March __, 2021 (the “**Series 2021B Obligation**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 2**”), which Obligation No. 2, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021B Bonds; and

WHEREAS, the Institution, as the Obligated Group, has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021C Bonds by the issuance of Obligation No. 3, dated March __, 2021 (the “**Series 2021C Obligation**”; and together with the Series 2021A Obligation, and Series 2021B Obligation, the “**Series 2021 Obligations**”), pursuant to the terms of the Master Indenture, as amended and supplemented, including as amended and supplemented by the Supplemental Indenture for Obligation No. 3, dated as of March 1, 2021 (the “**Supplemental Indenture for Obligation No. 3**”; and together with the Supplemental Indenture for Obligation No. 1, the Supplemental Indenture for Obligation No. 2, and the Supplemental Indenture for Obligation No. 3, and the Master Indenture, the “**Master Indenture**”), which Obligation No. 3, with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to this Indenture as security for the Series 2021C Bonds; and

WHEREAS, the Series 2021 Obligations and all Obligations issued pursuant to the Master Indenture will be secured by (i) the lien created by a Mortgage and Security Agreement (Building Loan), dated as of March 1, 2021 (the “**Building Loan Mortgage**”), from the Institution to the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage (Building Loan), dated March __, 2021 (the “**Assignment of Building Loan Mortgage**”), from the Issuer to the Master Trustee, (ii) the lien created by a Mortgage and Security Agreement (Project Loan), dated as of March 1, 2021 (the “**Project Loan Mortgage**”), from the Institution to the Issuer, which Project Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage (Project Loan), dated March __, 2021 (the “**Assignment of Project Loan Mortgage**”), and (iii) a pledge of Gross Revenues of the Obligated Group Members under the Master Indenture; and

WHEREAS, to finance a portion of the Costs of the Project, the proceeds secured by the Building Loan Mortgage (the “**Building Loan Proceeds**”), will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated March __, 2021 (the “**Building Loan Agreement**”), among the Institution, the Issuer and the Trustee, and the provisions of the Indenture to pay for some or all of the direct cost of construction of the Facility (collectively, the “**Construction Costs**”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Facility under the Building Loan Mortgage; and

WHEREAS, the Series 2021 Bonds will be further secured by (i) an Assignment of Development and Marketing Agreement dated March __, 2021 (the “**Assignment of Development and Marketing Agreement**”), from the Institution to the Issuer and the Master Trustee, (ii) an Assignment of Architect Agreement dated March __, 2021 (the

“**Assignment of Architect Agreement**”), from the Institution to the Issuer and the Master Trustee, and (iii) an Assignment of Guaranteed Maximum Price Construction Agreement, dated March __, 2021 (the “**Assignment of Guaranteed Maximum Price Construction Agreement**”), from the Institution to the Issuer and the Master Trustee; and

WHEREAS, simultaneously with the issuance of the Series 2021 Bonds, the Institution will execute and deliver to the Issuer (i) a Series 2021A Promissory Note evidencing the loan by the Issuer to the Institution of the proceeds of the Series 2021A Bonds, which Series 2021A Promissory Note will be endorsed by the Issuer, without recourse, to the Trustee (the “**Series 2021A Promissory Note**”), (ii) a Series 2021B Promissory Note evidencing the loan by the Issuer to the Institution of the proceeds of the Series 2021B Bonds, which Series 2021B Promissory Note will be endorsed by the Issuer, without recourse, to the Trustee (the “**Series 2021B Promissory Note**”), and (iv) a Series 2021C Promissory Note evidencing the loan made by the Issuer to the Institution of the proceeds of the Series 2021C Bonds, which Series 2021C Promissory Note will be endorsed by the Issuer, without recourse, to the Trustee (the “**Series 2021C Promissory Note**”; and together with the Series 2021A Promissory Note, and the Series 2021B Promissory Note, the “**Promissory Notes**” or the “**Notes**”), each substantially in the form attached hereto as Exhibit B; and

WHEREAS, the execution and delivery of the Indenture and this Loan Agreement and the issuance of the Series 2021 Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by resolutions duly adopted by the Issuer.

AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

ARTICLE I DEFINITIONS

All capitalized terms used in this Loan Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Indenture, which meanings are incorporated herein and made a part hereof by reference.

ARTICLE II REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of Issuer. The Issuer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Issuer is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Issuer Documents and the other documents contemplated thereby. Each of the Issuer Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Issuer.

(b) The Issuer will cause the Project to be financed and will loan the Bond Proceeds to the Institution pursuant to this Loan Agreement.

(c) To finance the Project, the Issuer will issue the Series 2021A Bonds in the aggregate principal amount of \$[____], the Series 2021B Bonds in the aggregate principal amount of \$[____], and the Series 2021C Bonds in the aggregate principal amount of \$[____]. The Series 2021 Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Series 2021 Bonds and the Indenture.

(d) By Certificate of Approval duly executed on [____], 2020, the Applicable Elected Representative, based upon a review of the materials submitted and the representations made by the Institution relating to the Project, approved issuance of the Series 2021 Bonds pursuant to Section 147(f) of the Code.

(e) Neither the execution and delivery of any of the Issuer Documents or the other documents contemplated thereby, or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Issuer Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other law or ordinance of the State or any political subdivision thereof, the Issuer's Certificate of Incorporation or By-Laws, as amended, or any corporate restriction or any agreement or instrument to which the Issuer is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Issuer under the terms of the Act or any such law, ordinance, Certificate of Incorporation, By-Laws, restriction, agreement or instrument, except for Permitted Encumbrances.

(f) Each of the Issuer Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

Section 2.2 Representations and Covenants of Institution. The Institution makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Institution is a not-for-profit corporation duly organized and validly existing under the laws of the State, is subsisting under the laws of the State, and has full legal right, power and authority to execute, deliver and perform each of the Institution Documents and the other documents contemplated thereby. The Institution Documents and the other documents contemplated thereby have been duly authorized, executed and delivered by the Institution.

(b) The Institution (i) is an Exempt Organization and is not a "private foundation," as such term is defined under Section 509(a) of the Code, (ii) has received a letter or other notification from the Internal Revenue Service to that effect, and such letter or other notification has not been modified, limited or revoked, (iii) is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification, and the

facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, and (iv) is exempt from federal income taxes under Section 501(a) of the Code.

(c) Neither the execution and delivery of any of the Institution Documents or the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Institution Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any applicable law or ordinance of the State or any political subdivision thereof, of the Institution's Certificate of Incorporation or By-Laws, as amended, or any corporate restriction or any agreement or instrument to which the Institution is a party or by which it is bound which would have a material adverse effect on the Institution or the transaction, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Institution under the terms of any such law, ordinance, Certificate of Incorporation, By-Laws, restriction, agreement or instrument, except for Permitted Encumbrances.

(d) There is no action, suit, investigation or proceeding pending or, to the knowledge of the Institution, threatened against the Institution or any properties or rights of the Institution before any court, arbitrator or administrative or governmental body which if adversely determined would result in any materially adverse change in the business, condition or operations of the Institution or which if adversely determined would materially adversely affect the ability of the Institution to comply with this Loan Agreement.

(e) The Facility and the operation thereof will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Institution and the Facility.

(f) Reserved.

(g) Each of the Institution Documents and the other documents contemplated thereby to which the Institution is a party constitutes a valid and binding obligation of the Institution enforceable against the Institution in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditor's rights generally, and subject to usual principles of equity.

(h) The Institution agrees that it (i) shall not perform any act or enter into any agreement which would adversely affect its status as an Exempt Organization and shall conduct its operations in a manner which conforms to the standards necessary to qualify the Institution as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law, and (ii) shall not perform any act, enter into any agreement or use or permit the Facility, or any portion thereof, to be used in any manner, or for any trade or business or other non-exempt use related to the purposes of the Institution, which would adversely affect the exclusion of interest on the Series 2021 Bonds from federal gross income pursuant to Section 103 of the Code.

(i) The Institution agrees that neither it nor any related party to the Institution (as defined in Treas. Reg. § 1.150-1(b)) will purchase any of the Series 2021 Bonds in an amount related to the obligation represented by this Loan Agreement.

Section 2.3 Covenant with Owners. The Issuer and the Institution agree that this Loan Agreement and the Tax Compliance Agreement are executed in part to induce the purchase by others of the Series 2021 Bonds. Accordingly, all covenants and agreements on the part of the Issuer and the Institution set forth in this Loan Agreement and in the Tax Compliance Agreement are hereby declared to be for the benefit of the Owners from time to time of the Series 2021 Bonds.

ARTICLE III TITLE TO FACILITIES

Section 3.1 Warranty of Title. The Institution hereby covenants and warrants to the Issuer and to the Trustee that the Institution has good and insurable title in and to the Facility, except for Permitted Encumbrances.

ARTICLE IV FINANCING OF PROJECT; ISSUANCE OF THE SERIES 2021 BONDS

Section 4.1 Financing of Project. The Institution agrees that the Series 2021 Bond Proceeds of the Series 2021 Bonds will be used to pay the Costs of the Project.

Section 4.2 Issuance of the Series 2021 Bonds; Disbursement of Bond Proceeds. In order to provide funds for payment of the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Series 2021 Bonds to be delivered on the terms set forth in the Indenture. Bond Proceeds shall be disbursed in accordance with the provisions of the Indenture and Section 4.3 hereof.

Section 4.3 Application of Bond Proceeds. Except as provided in Section 10.2(a)(ii) hereof, the Bond Proceeds, upon the written direction of an Authorized Representative of the Institution and on the conditions provided for in the Indenture, shall be applied to pay only the following costs and items of expense paid by or on behalf of the Issuer on or after the Closing Date, except as may otherwise be provided under the Tax Compliance Agreement or included in a resolution of the Board of Directors of the Institution indicating an intent to reimburse the Institution for costs of the Project incurred prior to that date:

- (i) all Costs of the Project, including, without limitation, amounts necessary to construct, equip and furnish the Facility; to pay capitalized interest on the Series 2021 Bonds, to fund the Debt Service Reserve Fund and the Operating Reserve Fund and to pay certain working capital expenses of the Institution,
- (ii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any documents that the Issuer or the Trustee may deem

desirable in order to protect or perfect any security interest contemplated by the Indenture,

(iii) all Costs of Issuance of the Series 2021 Bonds and the legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Series 2021 Bonds and the Bond Documents and all other documents in connection herewith or therewith, and with any other transaction contemplated by this Loan Agreement or the Indenture,

(iv) any administrative fee and fee for services of the Issuer, or

(v) reimbursement to the Institution for any of the above-enumerated costs and expenses.

Section 4.4 Certificates of Completion. To establish the Completion Date, the Institution shall deliver to the Issuer and the Trustee (a) a certificate signed by an Authorized Representative of the Institution stating that (i) the Costs of the Project have been paid or provided for, and (ii) except for amounts retained in the Project Fund for the payment of incurred, but unpaid, items of the Costs of the Project, the payment for all labor, services, materials and supplies used in such financing and refinancing has been made or provided for, and (b) such other certificates as may be satisfactory to the Trustee. The Institution agrees to complete the construction, equipping and furnishing of the Facility on or before December 31, 2022, unless such date has been extended by the Issuer. Such certificate shall further certify as to the determination of the Rebate Amount as provided in the Tax Compliance Agreement and the Indenture and shall direct the Trustee to make any transfer to, or make payments of amounts for deposit in, the Rebate Fund.

Section 4.5 Completion by Institution.

(a) In the event that the Net Proceeds of the Series 2021 Bonds are not sufficient to pay in full all Costs of the Project, the Institution agrees to pay, for the benefit of the Issuer and the Trustee, all such sums as may be in excess of the Net Proceeds of the Series 2021 Bonds.

(b) The Institution shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owners of any of the Series 2021 Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the Institution under this Loan Agreement.

Section 4.6 Compliance with Labor Law, Executive Law and Civil Rights Law. The Institution shall comply with all provisions of the Labor Law, the Executive Law and the Civil Rights Law of the State applicable to the construction, equipping and furnishing of the Project and shall include in all construction contracts all provisions that be required to be inserted therein by such provisions. The Institution shall comply with the relevant policies of the Issuer with respect to such laws, to the extent any. Except as provided in the second sentence of this subsection, the provisions of this subsection do not create any obligations or duties not created by applicable law outside of the terms of this Loan Agreement.

Section 4.7 Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties. In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the Facility, or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Institution, at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it against the contractor, subcontractor, materialman or other Person so in default and against any surety for the performance of such contract. The Institution may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman, surety or other Person which the Institution deems reasonably necessary. The Net Proceeds of any recovery from a contractor, subcontractor, materialman or other Person shall be applied as provided in Section 7.4 hereof.

Section 4.8 Covenant; Arbitrage Bond Covenant. The Issuer and the Institution covenant that (i) they will comply with the provisions of the Code required to preserve the exclusion from gross income of interest on the Series 2021 Bonds for Federal income tax purposes, and (ii) they will not use or permit the use of any proceeds of the Series 2021 Bonds in any manner which would cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE V LOAN PROVISIONS

Section 5.1 Loan of Series 2021 Bond Proceeds. The Issuer hereby agrees to loan the Series 2021 Bond Proceeds to the Institution in accordance with the provisions of this Loan Agreement. The Bond Proceeds shall be disbursed to the Institution in accordance with the provisions of Section 4.3 hereof, the Indenture and the Tax Compliance Agreement.

Section 5.2 Reserved.

Section 5.3 Loan Payments and Other Amounts Payable.

(a) All payments required pursuant to this Section 5.3, shall be referred to as "Loan Payments". The Institution's obligation to pay such Loan Payments shall be evidenced by the Notes, substantially in the form attached hereto as Exhibits B. The Institution shall pay to the Issuer on the Closing Date the Issuer's administrative fee in the amount of \$[] (equal to the administrative fee of \$[], plus the public hearing costs of \$[]). In addition, the Institution shall pay to the Issuer an annual

compliance fee of \$1,000.00 on or before January 1 of each year commencing on January 1, 2021 and continuing through the term of the Loan Agreement.

(b) (i) The Institution shall pay directly to the Trustee in immediately available funds as basic loan payments for the Project five (5) Business Days before the first day of each month, commencing five (5) Business Days before the first day of the sixth (6th) month immediately preceding the date on which interest on the Series 2021 Bonds becomes due, one-sixth (1/6) of the an amount equal to the interest component of the next Debt Service Payment becoming due and payable on the Series 2021 Bonds on the immediately succeeding Debt Service Payment Date for such Series 2021 Bonds; **provided, however**, that, if with respect to such Series 2021 Bonds there are more or less than six (6) such payment dates prior to the first interest payment on such Series 2021 Bonds, on each payment date prior to such interest payment date the Institution shall pay with respect to such Series 2021 Bonds an amount equal to the interest coming due on such Series 2021 Bonds on such interest payment date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to the first interest payment date on such Series 2021 Bonds. To the extent that the Trustee has transferred amounts on deposit in the Capitalized Interest Account of the Project for deposit in the Interest Account of the Bond Fund, the Institution shall receive a credit against such amounts due and owing under this Section 5.3(b) equal to such amounts.

(ii) The Institution shall also pay directly to the Trustee in immediately available funds as basic loan payments for the Project five (5) Business Days before the first day of July immediately preceding the July 1 on which an annual principal and/or Sinking Fund Payment of the Series 2021 Bonds becomes due, one-twelfth (1/12) of the principal and/or Sinking Fund Payment on such Series 2021 Bonds coming due on such Debt Service Payment Date; **provided, however**, that, if with respect to the Series 2021 Bonds there are less than twelve (12) such payment dates prior to the date (or immediately succeeding interest payment date) on which principal or Sinking Fund Installments come due on such Series 2021 Bonds, on each payment date prior to such date (or interest payment date) the Institution shall pay with respect to such Series 2021 Bonds an amount equal to the principal and/or Sinking Fund Payment of such Series 2021 Bonds coming due on such date (or interest payment date) multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to such date; **provided, further**, that, the Institution shall receive credit against such amounts due and owing under this Section 5.3(b) for any amounts on deposit in the Bond Fund for the payment of principal and interest on the Series 2021 Bonds.

(c) In addition to the Loan Payments pursuant to Section 5.3(a) hereof, throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer and the members thereof actually incurred (i) by reason of the Issuer's financing of the Project, or (ii) attributable to with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under this Loan Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer.

(d) In addition, the Institution shall pay as additional loan payments within thirty (30) days after receipt of a written demand therefor the Ordinary Expenses and Extraordinary Expenses payable to the Trustee pursuant to and under the Indenture.

(e) If, after making a valuation of the Debt Service Reserve Fund as set forth in Section 4.12(d) of the Indenture, the Trustee notifies the Institution that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee, in addition to the amounts required under Section 5.3(a), as a special loan payment, on the first day of each January, April, July and October following such notification, an amount equal to one-fourth (1/4) of the total amount necessary to restore the balance in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

(f) The Institution, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Institution shall fail timely to make any payment required in Section 5.3(b), the Institution shall pay the same together with all late payment penalties specified in the Series 2021 Bonds. In the event the Institution shall fail timely to make any payment required in Section 5.3(a) or (c), the Institution shall pay the same together with interest on such payment at the per annum rate of ten percent (10%), but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

Section 5.4 Application of Entrance Fees. All Entrance Fees received by the Institution shall be tendered to the Trustee and deposited by the Trustee in the Entrance Fee Fund under the Indenture. Until the Series 2021B Bonds and the Series 2021C Bonds have been redeemed in full, the Institution shall deposit all Entrance Fees into the Entrance Fee Fund. When all of the Series 2021B Bonds and the Series 2021C Bonds have been redeemed in full, the Institution shall no longer be required to deposit Entrance Fees in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

(1) First, to pay any refund of Entrance Fees owed to any former or prospective residents of the Facility or persons who withdrew from the Facility as required by the Residency Agreements, as certified and directed by an Authorized Representative of the Institution

(2) Second, to the Operating Reserve Fund in an aggregate amount not to exceed \$3,000,000;

(3) Third, the Working Capital Fund to pay for Costs of the Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$6,000,000; provided an additional \$2,500,000 in Entrance Fees may be used upon certification by an Authorized Representative of the Institution to the Trustee that moneys in the Construction Account of the Project Fund, together with anticipated investment earnings to be deposited therein, are

insufficient to complete payment of such Costs of the Project associated with working capital expenses;

(4) Fourth, to the Debt Service Reserve Fund to make up for any deficiency with respect to the Debt Service Reserve Fund Requirement;

(5) Fifth, to the Special Redemption Fund to be used to make quarterly redemption payments to redeem Series 2021C Bonds on each Entrance Fee Redemption Date whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000, provided that no Series 2021B Entrance Fee Redemption payment shall be made so long as any Series 2021C Bonds remain Outstanding; and

(6) Sixth, to the Special Redemption Fund to be used to make quarterly redemption payments to redeem Series 2021B Bonds on each Entrance Fee Redemption Date whenever the amount of Entrance Fees transferred to the Special Redemption Fund is at least \$25,000; and

(7) Seventh, all remaining Entrance Fees shall be paid to the Institution and the Entrance Fee Fund shall be closed.

Section 5.5 Obligations of Institution Hereunder Unconditional. The obligations of the Institution to make the payments required in Section 5.3 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of the Institution, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Issuer. The Institution agrees it will not (i) suspend, discontinue or abate any payment required hereunder, (ii) fail to observe any of its other covenants or agreements in this Loan Agreement, or (iii) terminate this Loan Agreement for any cause whatsoever unless and until the Series 2021 Bonds, including premium, if any, and interest thereon, have been paid or provided for in the Financing Documents.

Subject to the foregoing provisions, nothing contained in this Section 5.4 shall be construed to release the Issuer from the performance of any of the agreements on its part contained in this Loan Agreement or to affect the right of the Institution to seek reimbursement, and in the event the Issuer should fail to perform any such agreement, the Institution may institute such separate action against the Issuer as the Institution may deem necessary to compel performance or recover damages for non-performance.

Section 5.6 Payment of Additional Moneys in Prepayment of Series 2021 Bonds. In addition to any other moneys required or permitted to be paid pursuant to this Loan Agreement, the Institution may, subject to the terms of the Indenture, pay moneys to the Trustee (i) to be applied as the prepayment of amounts to become due and payable by the Institution pursuant to Section 5.3(b) hereof and the Promissory Notes, or (ii) to be used for the redemption or prepayment of any Series 2021 Bonds, including a purchase in lieu of redemption that the Institution may direct pursuant to the terms of the Indenture, at such time or times and on such terms and conditions as is provided in such Series 2021 Bonds and in

the Indenture. The Institution shall notify the Issuer and the Trustee in writing that any such payment shall be applied as provided in this Section 5.5.

Section 5.7 Rights and Obligations of the Institution upon Prepayment of Series 2021 Bonds. In the event the Series 2021 Bonds shall have been paid in full prior to the termination of this Loan Agreement, or provision for such payment shall have been made in accordance with the Indenture, the Issuer, at the sole cost of the Institution, shall promptly obtain and record or file appropriate terminations, discharges or releases of any security interest relating to the Facility or under the Indenture.

ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Facility by Institution.

(a) The Institution shall not abandon the Facility for a period of thirty (30) consecutive days or more or cause or permit any physical waste to the Improvements. During the Loan Term, the Institution shall not remove any part of the Facility outside of the jurisdiction of the Issuer and shall (i) keep the Facility in as reasonably safe condition as their operations shall permit; (ii) make all reasonably necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Facility in a commercially reasonable manner.

(b) Without the consent of the Issuer, the Institution, from time to time, may make any structural additions, modifications or improvements to the Facility or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Facility, (ii) such actions do not materially change the nature of the Facility, and (iii) such actions do not materially impair the use of the Facility or materially decrease their value. All such additions, modifications or improvements made by the Institution shall become a part of the Facility.

Section 6.2 Reserved.

Section 6.3 Taxes, Assessments and Utility Charges.

(a) The Institution agrees to pay, as the same become due and before any fine, penalty, interest (except interest which is payable in connection with legally permissible installment payments) or other cost may be added thereto or become due or be imposed by operation of law for the non-payment thereof, (i) all taxes, payments in lieu of taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other Property installed or brought by the Institution, therein or thereon, including, without limiting the generality of the foregoing, any sales or use taxes imposed with respect to the Facility or any part or component thereof or the rental or sale of the Facility or any part thereof and any taxes levied upon or with respect to the income or revenues of the Issuer from the Facility; (ii) all utility and other charges, including service charges, incurred or imposed for or with respect to the operation, maintenance, use, occupancy, upkeep and improvement of the

Facility; and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Institution shall be obligated under this Loan Agreement to pay only such installments as are required to be paid during the Loan Term.

(b) The Institution may, in good faith, contest any such taxes, assessments and other charges. In the event of any such proceedings, the Institution shall pay such taxes, assessments or other charges so contested, or, at its option, allow the same to remain unpaid during the period of such proceedings and any appeal therefrom, provided, however, that (i) neither the Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, and (ii) the Institution shall have set aside on their books adequate reserves with respect thereto and shall have furnished such security, if any, as may be required in such proceedings or reasonably requested by the Issuer or the Trustee.

(c) The Institution agrees that if it contests any taxes, assessments or other charges as provided for in paragraph (b) hereof, all sums returned, as a result thereof, will be promptly transmitted to the Institution and the Institution shall be entitled to retain all such amounts.

Section 6.4 Insurance Required. At all times throughout the Loan Term, the Institution at its sole cost and expense shall maintain or cause to be maintained insurance covering the Facility against such risks and for such amounts as are customarily insured against by facilities of like size and type in the same geographic region and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Institution, but in no event less than the principal amount of the Series 2021 Bonds unless the principal amount of the Series 2021 Bonds exceeds the maximum insurable amounts of the Improvements.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Institution is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Institution who are located at or assigned to the Facility. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the Institution first occupy the Facility.

(c) Insurance protecting the Issuer, the Trustee, and the Institution against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Institution under Section 8.2 hereof) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 (combined

single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Trustee and the Institution against any loss or liability or damage for personal injury, including bodily injury or death, or property damage.

(d) During any Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Institution shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations
Products and Completed Operations
Owners Protective
Contractors Protective
Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess "umbrella" liability providing liability insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

Section 6.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 6.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and selected by the entity required to procure the same. The company issuing the policies required by Section 6.4(a) hereof shall be rated "A" or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects (including the location of such companies in the same or similar geographic region) to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 6.4(a) hereof shall provide for payment to the Institution of

the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by Section 6.4 hereof shall provide for at least thirty (30) days' prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Trustee; provided, however, such notice shall be at least ten (10) days in the case of non-payment of premium). The policy evidencing the insurance required by Section 6.4(c) hereof shall name the Issuer, the Trustee and the Master Trustee as additional insureds. All policies evidencing the insurance required by Section 6.4(d) (ii),(iii) and (iv) shall name the Issuer, the Trustee, the Master Trustee and the Institution as additional insureds. Upon request of the Master Trustee, the Institution will assign and deliver to the Master Trustee the policies of insurance required under Section 6.4(a), so and in such manner and form that the Master Trustee shall at all times, upon such request and until the payment in full of the Series 2021 Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2021 Obligations. The policies under Section 6.4(a) shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by Section 6.4(a) hereof shall be deposited with the Master Trustee on or before the Closing Date. A copy of the policy (or certificate and binder) of insurance required by Section 6.4(c) hereof shall be delivered to the Issuer on or before the Closing Date. A copy of the policy (or certificate or binder of insurance is required by Section 6.4(d) hereof shall be delivered to the Issuer on or before the earlier of the Closing Date or the commencement of the construction or renovation, if later. The Institution shall deliver to the Issuer and the Trustee before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by Section 6.4 hereof and complying with the additional requirements of Section 6.5(a) hereof. Prior to the expiration of each such policy or policies, the Institution shall furnish to the Issuer and the Trustee a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Loan Agreement. The Institution shall provide such further information with respect to the insurance coverage required by this Loan Agreement as the Issuer and the Trustee may from time to time reasonably require.

Section 6.6 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Section 6.4(a) hereof shall be applied as provided in Section 7.1 hereof, and (ii) the Net Proceeds of the insurance required by Sections 6.4(b), (c) and (d) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.7 Right of Trustee to Pay Taxes, Insurance Premiums and Other Charges. If the Institution fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, assessment or other governmental charge required to be paid by Section 6.3 hereof, (ii) to maintain any insurance required to be maintained by Section 6.4 hereof, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Facility or by any requirement, order or notice of violation thereof issued

by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Facility or any part thereof (unless contested or bonded in accordance with the provisions of Section 8.9(b) hereof), or (v) to pay any other amount or perform any act hereunder required to be paid or performed by the Institution hereunder, the Issuer, the Trustee or the Master Trustee may pay or cause to be paid such tax, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Issuer, the Trustee or the Master Trustee until at least ten (10) days shall have elapsed since written notice shall have been given by the Trustee or the Master Trustee to the Issuer, with a copy of such notice being given simultaneously to the Institution (or by the Issuer to the Institution and the Trustee), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii), (iv) and (v) hereof, no such payment shall be made in any event if the Institution is contesting the same in good faith and diligently prosecuting the same unless an Event of Default hereunder shall have occurred and be continuing. No such payment by the Issuer, the Trustee or the Master Trustee shall affect or impair any rights of the Issuer hereunder or of the Trustee under the Indenture arising in consequence of such failure by the Institution. The Institution shall, on demand, reimburse the Issuer, the Master Trustee or the Trustee for any amount so paid or for expenses or costs incurred in the performance of any such act by the Issuer, the Master Trustee or the Trustee pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of payment of such amount, expense or cost by the Issuer, the Master Trustee or the Trustee at the per annum rate of ten percent (10%).

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage or Destruction of the Facility.

(a) If any portion of the Facility shall be damaged or destroyed (in whole or in part) at any time during the Loan Term:

- (i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or any portion thereof; and
- (ii) there shall be no abatement or reduction in the loan payments or other amounts payable by the Institution under this Loan Agreement (whether or not the Facility or any portion thereof is replaced, repaired, rebuilt, restored or relocated); and
- (iii) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Trustee and deposited in the Renewal Fund and, except as otherwise provided in Section 11.1 and subsection (f) hereof, and subject to subsection (i) hereof, the Institution shall at its option either:

(A) replace, repair, rebuild, restore or relocate the Facility or the portion thereof, or

(B) direct the Trustee to redeem a principal amount of the Series 2021 Bonds equal to such Net Proceeds in accordance with Section 3.01(c)(i) of the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 4.11 of the Indenture to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

- (i) the Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;
- (ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected; and
- (iii) the Facility will be subject to no Liens (unless contested or bonded as set forth herein), other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to this Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the Institution shall nonetheless complete the work and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this Section, whether or not requiring the expenditure of the Institution's own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(e) Any balance of such Net Proceeds remaining Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Compliance Agreement, be applied in accordance with the provisions of Section 4.06(d) of the Indenture and the Tax Compliance Agreement.

(f) If the Institution shall exercise its option to terminate this Loan Agreement pursuant to Section 11.1 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If an Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof.

(g) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any policies of insurance required by Sections 6.4(a) hereof on its own behalf.

Section 7.2 Condemnation.

(a) If title to or use of the Facility or any portion thereof comprising a portion of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate such Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility (the “**Substitute Facility**”); and

(ii) there shall be no abatement or reduction in the amounts payable by the Institution under this Loan Agreement (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated or the Substitute Facility acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Institution and, except as otherwise provided in Section 11.1 and subsection (f) hereof, the Institution shall either:

(A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Facility or acquire the Substitute Facility, or

(B) redeem an amount of Series 2021 Bonds equal to the Net Proceeds in accordance with Section 3.01(c)(i) of the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility or acquires a Substitute Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 4.11 of the Indenture to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations, relocations or acquisitions of the Substitute Facility shall be subject to the following conditions:

(i) the Facility or the Substitute Facility shall be in substantially the same condition and value as an operating entity as existed prior to the condemnation;

(ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) the Facility or the Substitute Facility will be subject to no Liens (unless contested or bonded as set forth herein), other than Permitted Encumbrances; and

(iv) any other conditions the Trustee may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate pursuant to this Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration, relocation or acquisition of a Substitute Facility, the Institution shall nonetheless complete the work or the acquisition and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration, relocations and such acquisition of the Substitute Facility made pursuant to this Section, whether or not requiring the expenditure of the Institution’s own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(e) Any balance of such Net Proceeds remaining Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of the Substitute Facility shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Compliance Agreement, be applied in accordance with the provisions of Section 4.06(d) of the Indenture and the Tax Compliance Agreement.

(f) If the Institution shall exercise its option to terminate this Loan Agreement pursuant to Section 11.1 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If any Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Sections 10.2 and 10.4 hereof.

(g) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any Condemnation proceedings on its own behalf.

Section 7.3 Condemnation or Casualty of Non-Project Property. The Institution shall be entitled to the proceeds of any casualty proceeds or Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is not part of the Facility.

Section 7.4 Recovery Against Contractor, Etc.

(a) If at any time during the Loan Term, provided no Event of Default under Section 10.1 has occurred and is continuing, proceeds shall become available from any recovery against a contractor, subcontractor, materialman or other Person with respect to the Facility, such proceeds shall be applied as set forth in the Building Loan Mortgage and the Project Loan Mortgage and the Master Indenture.

(b) After the occurrence and during the continuation of an Event of Default under Section 10.1 hereof, the proceeds of any such recovery shall be applied as provided in Section 10.2 hereof.

(c) If the entire amount of the Series 2021 Bonds and interest thereon have been fully paid, or provision therefor has been made in accordance with the Indenture, the surplus thereof shall be paid to the Institution for its business purposes.

(d) Except upon the occurrence and during the continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims against such contractors, subcontractors, materialmen or other Persons.

ARTICLE VIII
SPECIAL COVENANTS

Section 8.1 No Warranty of Condition or Suitability by Issuer. THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITY, OR THE SUITABILITY OF THE FACILITY FOR THE PURPOSES OR NEEDS OF THE INSTITUTION OR THE EXTENT TO WHICH FUNDS AVAILABLE TO THE INSTITUTION WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE FACILITY. THE INSTITUTION ACKNOWLEDGES THAT THE ISSUER IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE INSTITUTION IS SATISFIED THAT THE FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE INSTITUTION. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE INSTITUTION OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

Section 8.2 Hold Harmless Provisions.

(a) The Institution agrees that the Issuer, the Trustee and each Paying Agent shall not be liable for and agrees to defend, indemnify, release and hold the Issuer, the Trustee and each Paying Agent harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, or (ii) liability arising from or expense incurred in connection with the Issuer's financing of the Project, including without limiting the generality of the foregoing, all claims arising from the breach by the Institution of any of its covenants contained herein and all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Trustee or any Paying Agent are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Issuer, the Trustee or any Paying Agent or any of their respective members, directors, trustees, officers, agents or employees. Except as set forth in the preceding sentence, the foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer, the Trustee or any Paying Agent, or any of their respective members, directors, trustees, officers, agents or employees, and irrespective of the breach of a statutory obligation (other than a breach caused by any of their respective gross negligence or intentional or willful wrongdoing) or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only as expressly set forth herein and to the extent of any prohibitions imposed by law.

(b) Notwithstanding any other provisions of this Loan Agreement, the obligations of the Institution pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Loan Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the Issuer, the Trustee or their respective members, directors, officers, agents and employees, relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the Issuer, the Trustee or any Paying Agent or their respective members, directors, officers, agents or employees by any employee or contractor of the Institution or anyone directly or indirectly employed by the Institution or anyone for whose acts the Institution may be liable, the obligations of the Institution hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(d) The Trustee and each Paying Agent shall be third party beneficiaries of the Institution's obligations under this Section 8.2.

Section 8.3 Right to Inspect Facility. The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior

reasonable written notice to the Institution to inspect the Facility during normal business hours.

Section 8.4 Institution to Maintain Its Existence. The Institution agrees that during the Loan Term (a) it will maintain its existence as a not-for-profit corporation constituting an Exempt Organization, and (b) will comply with all warranties and financial and reporting covenants as set forth in the Master Indenture and the Continuing Disclosure Agreement (as more fully described in Section 8.15 below).

Section 8.5 Qualification in State. The Institution throughout the Loan Term shall continue to be duly authorized to do business in the State.

Section 8.6 Agreement to Provide Information. The Institution agrees within a reasonable period of time following a written request by the Issuer to provide and certify or cause to be provided and certified such information concerning the Institution, its finances, operations and affairs necessary to enable the Issuer to make any report required by law, including without limitation pursuant to the Public Authorities Accountability Act of 2005 (the "PAAA") and the Public Authorities Reform Act of 2009, each as amended from time to time, governmental regulation or any of the Issuer Documents or Institution Documents. The Institution shall deliver to the Issuer and the Trustee each year no later than January 15 a certificate signed by the Chief Financial Officer of the Institution, stating that the Institution is not in default under this Loan Agreement and no Event of Default exists and remains uncured under this Loan Agreement, the Promissory Notes or any other Institution Documents. Such information shall be provided within thirty (30) days following the Institution's receipt (as determined pursuant to Section 12.1 hereof) of written request from the Issuer.

Section 8.7 Reserved.

Section 8.8 Compliance with Orders, Ordinances, Etc.

(a) The Institution throughout the Loan Term agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof and of all companies or associations insuring the premises.

(b) The Institution shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the Institution shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances,

except in compliance with all applicable federal, state and local laws, regulations and permits, nor shall the Institution cause or permit, as a result of any intentional or unintentional act or omission on the part of the Institution or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Institution shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Institution shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facility (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Trustee and the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Trustee and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of this Section shall be in addition to any and all other obligations and liabilities the Institution may have to the Trustee at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) hereof, the Institution may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Institution may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to immediate loss, penalty or forfeiture, in which event the Institution shall promptly take such action with respect thereto or provide such security as shall be reasonably satisfactory to the Trustee and to the Issuer. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Institution shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Trustee.

(d) Notwithstanding the provisions of this Section 8.8, if, because of a breach or violation of the provisions of subsections (a) or (b) hereof (without giving effect to subsection (c) hereof), either the Issuer, the Trustee, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Trustee, the Institution shall immediately provide legal protection and/or pay amounts necessary in the reasonable opinion of the Issuer or the Trustee, as the case may be, and their respective members, directors, officers, agents and employees deem reasonably sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section, to the extent it is reasonably determined that the Institution is not adequately defending the Trustee and the Issuer and so long as the Trustee and Issuer take steps to avoid a duplication of efforts the Trustee and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Trustee and the Issuer shall each select their own counsel, and any and all reasonable and actual costs of such defense, including, without limitation, reasonable and actual attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable and actual litigation expenses, shall be paid by the Institution.

Section 8.9 Discharge of Liens and Encumbrances.

(a) The Institution throughout the Loan Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) hereof, the Institution may in good faith contest any such Lien. In such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by nonpayment of any such item or items, the Facility or any part thereof may be subject to immediate loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing a bond, in form and substance reasonably satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be reasonably satisfactory to the Issuer to protect its interests. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the Institution's receipt of notice of the filing or perfection thereof.

Section 8.10 Identification of Equipment. All Equipment, as described in Exhibit A attached hereto, which is financed or refinanced in whole or in part with proceeds of the Series 2021 Bonds pursuant to the provisions of this Loan Agreement shall be properly identified by the Institution by such appropriate records, including computerized records, as may be approved by the Trustee. Such Equipment shall be covered by the security interests created by the Building Loan Mortgage and the Project Loan Mortgage.

Section 8.11 Depreciation Deductions and Investment Tax Credit. The parties agree that, as between them, the Institution shall be entitled to all depreciation deductions with respect to any depreciable property comprising a part of the Facility pursuant to Section 167 or Section 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any part of the Facility which constitutes "Section 38 Property".

Section 8.12 Employment Opportunities, Notice of Jobs. The Institution covenants and agrees that, in consideration of the participation of the Issuer in the transactions contemplated herein, it will, except as otherwise provided or governed by collective bargaining contracts or agreements to which it is a party, use its reasonable best efforts to cause any new permanent employment opportunities created in connection with the Facility to be listed with the New York State Department of Labor. The Institution also agrees that, except as otherwise provided or governed by collective bargaining contracts or agreements to which it is a party, it will use its best efforts to consider first for such new permanent employment opportunities persons eligible to participate in federal job training programs who shall be referred by the Referral Agencies. As used in this Section 8.12, "permanent employment" shall mean employment of an anticipated duration of greater than twelve weeks.

Section 8.13 Additional Encumbrances and Indebtedness. The Institution may issue additional long term Indebtedness or request the Issuer to issue one or more Series of Additional Bonds under the Indenture, provided that all terms and conditions for the incurrence of such additional Indebtedness or Additional Bonds under the Master Indenture and Section 2.14 of the Indenture have been satisfied.

Section 8.14. Certain Additional Covenants.

(i) The Institution agrees that during the Loan Term it will comply with all financial and reporting covenants set forth in the Master Indenture.

(ii) Cumulative Cash Loss Covenant. The Institution covenants that, for the period commencing with the first full fiscal quarter following receipt of the Certificate of Occupancy and ending with the fiscal quarter in which Stabilization occurs, the Institution will calculate the Cumulative Cash Loss of the Institution as of each Testing Date. The Institution shall include or cause to be included such calculation in the Officer's Certificate delivered pursuant to Section 4.14 of the Master Indenture.

(a) The Institution is required to conduct its business so that as of each Testing Date it will have a Cumulative Cash Loss not more than the amount set forth below:

Quarter	Cumulative Cash Loss
First	\$2,500,000
Second	\$3,300,000
Third	\$4,200,000
Fourth	\$5,000,000
Fifth and thereafter	\$5,500,000

(b) If as of any Testing Date, the Cumulative Cash Loss of the Institution is greater than the amounts required above, the Institution shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Cumulative Cash Loss for future periods.

(c) If, as of any two consecutive Testing Dates, the Cumulative Cash Loss is greater than the levels set forth above, the Institution shall, within 15 days after receipt of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Institution and the Institution's methods of operation and other factors affecting its financial condition in order to decrease the Cumulative Cash Loss. Such Consultant shall be approved and retained as set forth in Section 4.29 of the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with the Obligated Group Members and each Required Information Recipient within 45 days after the date the Consultant is retained. The Institution shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Institution) and permitted by law. The Institution shall not be required to obtain a Consultant's report more than one time in any six month period.

(d) Within 165 days of filing the Consultant's report and recommendations as required in Section 8.14(ii)(c) hereof, the Institution shall cause the Consultant to prepare a follow-up report at the Institution's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations as required in Section 8.14(ii)(c) hereof.

(e) Notwithstanding any other provision of this Loan Agreement, failure of the Institution to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under this Loan Agreement if the Institution takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Institution) and permitted by law, **provided however that** if the Institution fails to achieve the Cumulative Cash Loss Covenant by the Testing Date immediately following the second full fiscal quarter following the submission of the Consultant's report, such failure shall constitute an Event of Default under this Loan Agreement.

(iii) **Marketing Requirements.** The Institution covenants that the Institution will calculate the percentage of Independent Living Units that are Reserved Units at the end of each "Marketing Quarter" as set forth below. The Institution shall include or cause to be included such calculation in the Officer's Certificate delivered pursuant to Section 4.14 of the Master Indenture.

(a) The Institution covenants that during the period beginning with the date of issuance of the Series 2021 Bonds and ending with Stabilization, it will use its best efforts to maintain the number and percentage of Reserved Units, at least equal to the "Marketing Requirements" set forth below as of the end of each "Marketing Quarter" set forth below:

Quarter Ending	Percentage of Reserved Living Independent Units (%)	
	#Units	Percent
09/30/21	82	63.6%
12/31/21	86	66.7%
03/31/22	90	69.8%
06/30/22	95	73.6%
09/30/22	100	77.5%
12/31/22	105	81.4%
3/31/23 and thereafter	110	85.3%

For the purpose of determining the number of Reserved Units, any Residency Agreement covering two Residential Units shall count as two Reserved Units.

(b) If the percentage of Reserved Units for any Marketing Quarter is less than the applicable Marketing Requirement set forth above for that Marketing Quarter, the Institution is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report (a "Management Marketing Report") setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Reserved Units for future periods.

(c) If the percentage of Reserved Units is less than the Marketing Requirement for two successive Marketing Quarters, the Institution is required to retain a Consultant within 15 days thereafter to make recommendations regarding the actions to be taken to increase the percentage of Reserved Units to the Marketing Requirements set forth herein for future periods. Within 45 days of retaining any such Consultant, the Institution is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. The Institution is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of the Institution) and permitted by law. Such Consultant shall be approved and retained as set forth in Section 4.29 of the Master Indenture. The Institution will not be required to obtain a Consultant's report in any two consecutive fiscal quarters.

(d) Within 165 days of filing the Consultant's report and recommendations as required in Section 8.14(iii)(c) hereof, the Institution shall cause the Consultant to prepare a follow-up report at the Institution's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations as required in Section 8.14(iii)(c) hereof.

(c) Failure of the Institution to achieve the Marketing Requirements for any fiscal quarter will not constitute an Event of Default under this Loan Agreement if the Institution takes all action necessary to comply with the procedures set forth above for preparing a Management Marketing Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the as determined by the Governing Body of the Institution) and permitted by law; **provided however that** if the Institution fails to achieve the Marketing Requirements upon the Testing Date immediately following two full fiscal quarters following the delivery of the Consultant's report pursuant to Section 8.14(iii)(c) hereof, such failure shall constitute an Event of Default under this Loan Agreement.

(iv) **Occupancy Requirements.** The Institution covenants that, upon the Initial Occupancy Date, the Institution will calculate the percentage of Independent Living Units that are Occupied at the end of each "Occupancy Quarter" as set forth below. The Institution shall include or cause to be included such calculation in the Officer's Certificate delivered pursuant to Section 4.14 of the Master Indenture.

(a) The Institution covenants that for each full fiscal quarter (a) commencing with the first fiscal quarter following Initial Occupancy Date, and (b) ending with the first full fiscal quarter following Stable Occupancy (each an "Occupancy Quarter"), the Institution will use its best efforts to maintain the number and percentage of Occupied Independent Living Units at or above the requirements set forth below, which levels shall be measured as of the last day of the applicable Occupancy Quarter (the "Occupancy Requirements"):

Occupancy Quarter	Occupancy Requirements	
	#Units	Percent
1	10	7.8%
2	35	27.1
3	60	46.5
4	75	58.1
5	90	69.8
6	100	77.5
7	105	81.4
8	110	85.3
9 and thereafter	116	89.9

For the purpose of determining the number of Occupied Independent Living Units, any residence agreement covering two Independent Living Units shall count as two Occupied Independent Living Units.

(b) If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Institution shall, within 30 days after the end of such Occupancy Quarter, deliver an Officer's Certificate to the Master Trustee, containing, (a) an occupancy report (a "Management Occupancy Report") that setting forth in reasonable detail the reasons for such deficiency and adopting a

specific plan setting forth steps to be taken designed to achieve the required level of Occupied Independent Living Units for future periods.

(c) If the Percentage of Units Occupied for any two consecutive Occupancy Quarters is less than the Occupancy Requirement set forth above for those Occupancy Quarters, the Corporation is required to retain a Consultant within 15 days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to the Occupancy Requirement set forth above for future periods. Within 60 days of retaining any such Consultant, the Institution is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. The Institution is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of the Institution) and permitted by law. The Institution will not be required to obtain a Consultant's report in any two consecutive Occupancy Quarters.

(d) Within 165 days of filing the Consultant's report and recommendations as required in Section 8.14(iv)(c) hereof, the Institution shall cause the Consultant to prepare a follow-up report at the Institution's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations as required in 8.14(iv)(c) hereof.

(e) Failure of the Institution to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under this Loan Agreement if the Institution takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Institution) and permitted by law, **provided however that** if the Institution fails to achieve the Occupancy Requirement upon the Testing Date immediately following the second full fiscal quarter following the submission of the Consultant's report, such failure shall constitute an Event of Default under this Loan Agreement.

Section 8.15. **Continuing Disclosure Agreement.** The Institution has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Series 2021 Bonds. The Institution hereby covenants and agrees with the Holders from time to time of the Series 2021 Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time, applicable to it. Notwithstanding any other provision of this Loan Agreement, failure of the Institution to comply with the Continuing Disclosure Agreement shall not be considered a default or an event of default under this Loan Agreement and the rights and remedies provided by this Loan Agreement upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Section 8.16. Securities Law Status. The Institution affirmatively represents, warrants and covenants that, as of the date of this Loan Agreement, it is an organization organized and operated: (i) exclusively for civic or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section 8.16.

Section 8.17. Rebate Covenant. The Institution covenants to make, or cause to be made, any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2021 Bonds pursuant to Section 148(f) of the Code and to comply with instructions received from Bond Counsel pursuant to the certification with respect to the making of any such payments.

Section 8.18. Reliance by Trustee. The Trustee shall be entitled to rely on any instructions given by the Institution pursuant to the terms hereof and the Institution shall indemnify the Trustee for the consequences of all actions taken pursuant to and in accordance with any such instructions.

ARTICLE IX RELEASE OF CERTAIN LAND; ASSIGNMENTS AND LEASING; AND PLEDGE OF INTERESTS

Section 9.1 Restriction on Sale of Facility; Release of Certain Land.

(a) Except as otherwise specifically provided in this Article IX and in Article X hereof or as permitted by the Tax Compliance Agreement, the Institution shall not lease, convey, transfer, encumber (other than Permitted Encumbrances) or otherwise dispose of the Facility or any part thereof or any of its rights under this Loan Agreement, without the prior written consent of the Issuer and the Trustee.

(b) With the prior written consent of the Trustee (which consent may not be unreasonably withheld but may be subject to such reasonable conditions as the Trustee may deem appropriate), the Issuer and the Institution from time to time may release from the provisions of this Loan Agreement, any part of, or interest in, the Land which is not necessary, desirable or useful for the Facility as may reasonably be requested by the Institution, which request shall not be unreasonably denied. In such event, the Issuer, at the Institution's sole cost and expense, shall execute and deliver, and request the Trustee to execute and deliver, any and all instruments necessary or appropriate to so release any lien, claim or encumbrance on such part of, or interest in, the Land. As a condition to such conveyance, the Trustee shall be provided with a certificate of an Authorized Representative of the Institution stating that there is then no Event of Default under this Loan Agreement and such part of, or interest in, the Land is not necessary, desirable or useful for the Facility. Proceeds from the sale of any part of, or interest in, the Land made pursuant to this Section 9.1(b), shall be deposited into the Bond Fund and applied to the payment of principal on the Series 2021 Bonds.

(c) No conveyance of any part of, or interest in, the Land effected under the provisions of this Section 9.1 shall entitle the Institution to any abatement or diminution of the Loan Payments payable by it under this Loan Agreement or the Promissory Notes.

Section 9.2 Removal of Equipment.

(a) The Institution shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Institution determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Institution may remove such items from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the operation of the Facility for the purpose for which it is intended.

(b) The removal of any item of Equipment pursuant to this Section shall not entitle the Institution to any abatement or diminution in or postponement of the Loan Payments payable by it under this Loan Agreement.

Section 9.3 Assignment, Leasing and Subleasing.

(a) This Loan Agreement may not be assigned, other than as provided in the Master Indenture, in whole or in part, and the Facility may not be leased, in whole or in part, except to residents of the Facility, without the prior written consent of the Issuer in each instance except with respect to the Residency Agreements or otherwise in the ordinary course of business of the Institution or except as provided in the Tax Compliance Agreement. Any permitted assignment or lease shall be on the following conditions:

- (i) no assignment or lease, including to residents of the Facility, shall relieve the Institution from primary liability for any of its obligations hereunder or under any other of the Institution Documents;
- (ii) the assignee or lessee in whole (in the discretion of the Issuer and except the residents of the Facility) of the Facility shall assume the obligations of such Institution hereunder to the extent of the interest assigned or leased, shall be jointly and severally liable with the Institution for the performance thereof and shall be subject to service of process in the State of New York;
- (iii) the Institution shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such assignment or lease and the instrument of assumption;
- (iv) neither the validity nor the enforceability of the Series 2021 Bonds or any Bond Document shall be adversely affected thereby;
- (v) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes will not be adversely affected;

- (vi) except as otherwise permitted in the Code and subject to the delivery of an opinion of Bond Counsel with respect to the requirements of clause (v) above, the assignee or lessee in whole (in the discretion of the Issuer) of the Facility shall be an Exempt Organization and shall utilize the Facility substantially in the same manner as the Institution.

(b) If the Trustee or the Issuer shall so request, as of the purported effective date of any assignment or lease of the Facility pursuant to subsection (a) of this Section 9.3, the Institution, at its sole cost, shall furnish the Trustee or the Issuer, as appropriate, with an opinion, in form and substance satisfactory to the Trustee or the Issuer, as appropriate, (i) of Bond Counsel as to item (v) above, and (ii) of Independent Counsel as to items (i), (ii), (iv) and (vi) above.

Section 9.4 Pledge of Issuer's Interests to Trustee. The Issuer shall pledge and assign its rights to and interest in this Loan Agreement and in all amounts payable by the Institution pursuant to Section 5.3 hereof, and all other provisions of this Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Series 2021 Bonds. The Institution hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit as well as for the benefit of the Trustee.

Section 9.5 Merger of Issuer.

(a) Nothing contained in this Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, any other local development corporation, public benefit corporation or political subdivision which has the legal authority to enter into this Loan Agreement, provided that:

- (i) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Loan Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the local development corporation, public benefit corporation or political subdivision resulting from such consolidation or surviving such merger; and
- (ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not be adversely affected thereby.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of interest, the Issuer shall give notice thereof in reasonable detail to the Institution and the Trustee and shall furnish to the Institution and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.5(a)(i) hereof, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of Section 9.5(a)(ii) hereof. The Issuer promptly shall furnish such additional

information with respect to any such transaction as the Institution or the Trustee may reasonably request.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined.

(a) The following shall be "Events of Default" under this Loan Agreement:

- (i) the failure by the Institution to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to Sections 5.3(a), (b), (c) and (d) hereof; or prior to the maturity or redemption in full of the Series 2021B and Series 2021C Bonds, the failure by the Institution to tender or cause to be tendered Entrance Fees for deposit in the Entrance Fee Fund as required by Section 5.4 hereof;
- (ii) the failure by the Institution to observe and perform any covenant contained in Sections 6.3, 6.4, 6.5, 8.4 and 9.3 hereof;
- (iii) any representation or warranty of the Institution herein or in the Bond Purchase Agreement shall prove to have been false or misleading in any material respect and the same shall have a materially adverse effect upon the Institution, the Facility, or the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes;
- (iv) the failure by the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i) or (ii)) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the Institution by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the Institution is proceeding diligently and in good faith to cure such default, then the Institution shall be permitted an additional ninety (90) days within which to remedy the default;
- (v) the dissolution or liquidation of the Institution; or the failure by the Institution to release, stay, discharge, lift or bond within ninety (90) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Institution generally to pay its debts as they become due; or an assignment by the Institution for the benefit of creditors; the commencement by the Institution (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Institution (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Institution as the debtor in such case or proceeding, or such case or proceeding is consented to by the Institution or remains

undismissed for ninety (90) days, or the Institution consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Institution for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term “dissolution or liquidation of the Institution” as used in this subsection shall not be construed to include any transaction permitted by Section 8.4 hereof);

(vi) an Event of Default under or a default on the part of the Institution of its obligations under the Indenture shall have occurred and be continuing;

(vii) the Institution or any Obligated Group Member shall default in the payment of any other Indebtedness (other than the Series 2021 Obligations), whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture or instrument, under which there may be issued, or by which there may be secured or evidenced, any Indebtedness, whether such Indebtedness now exists or shall hereafter be created, shall occur, which default in payment or event of default shall be in respect of (a) any Indebtedness secured by an Obligation issued pursuant to the Master Indenture or (b) any Indebtedness in an aggregate principal amount that exceeds the greater of \$250,000 or 1% of unrestricted net assets of the Institution, where the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such Indebtedness to become due prior to its stated maturity; provided, however that such default shall not constitute an Event of Default within the meaning of this paragraph if within the time allowed for service of a responsive pleading in any proceeding to enforce payment of such Indebtedness under the laws of New York or other laws governing such proceeding (i) the Institution or such Obligated Group Member in good faith commences proceedings to contest the existence or payment of such Indebtedness, (ii) sufficient moneys are escrowed with a bank or trust corporation for the payment of such Indebtedness, and (iii) the Institution delivers an Officer’s Certificate to the Issuer and the Trustee certifying that the Institution has complied with clauses (i) and (ii) of this Section 10.1(a)(vii);

(viii) the invalidity, illegality or unenforceability of any of the Bond Documents, provided the same does not permit the Issuer or the Trustee, as the case may be, to recognize the material benefits of the respective documents; or

(ix) a breach of any covenant or representation contained in Section 8.8 hereof with respect to environmental matters.

(b) Notwithstanding the provisions of Section 10.1(a) hereof, if by reason of force majeure (which, for purposes hereof, shall be deemed to include a pandemic) any party hereto shall be unable in whole or in part to carry out its obligations under this Loan Agreement (other than its obligations under Section 5.3, 6.4 or 8.2 hereof) and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Loan Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term “force majeure” as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid loan payments payable pursuant to Section 5.3(b) hereof and pursuant to the Promissory Notes in amount equal to the aggregate unpaid principal balance of all Series 2021 Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, and (B) all other payments due under this Loan Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(v) hereof shall have occurred, such Loan Payments and other payments due under this Loan Agreement shall become immediately due and payable without notice to the Institution or the taking of any other action by the Trustee;

(ii) (a) apply any undisbursed money in the Project Fund to the payment of the costs and expenses incurred in connection with the enforcement of the rights and remedies of the Trustee and the Issuer, and (b) apply any undisbursed monies in the Project Fund, the Entrance Fee Fund, the Special

Redemption Fund, the Debt Service Reserve Fund, the Operating Reserve Fund, and any other Fund or Account under the Indenture (other than those sums attributable to Unassigned Rights and except for the monies and investments from time to time in the Rebate Fund) to the payment of the outstanding principal amount of the Series 2021 Bonds and premium, if any, and accrued and unpaid interest on the Bonds; or

(iii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Institution under this Loan Agreement.

(b) Reserved.

(c) Any sums payable to the Issuer as a consequence of any action taken pursuant to this Section 10.2 (other than those sums attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall be paid to the Trustee and applied to the payment of the Series 2021 Bonds.

(d) No action taken pursuant to this Section 10.2 shall relieve the Institution from the obligation to make all payments required by Section 5.3 hereof and pursuant to the Promissory Notes.

Section 10.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee, as appropriate, to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Loan Agreement.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses.

(a) In the event the Institution should default under any of the provisions of this Loan Agreement and the Issuer should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreement on the part of the Institution herein contained, the Institution shall, on demand therefore, pay to the Issuer the documented reasonable and actual fees of such attorneys and such other documented reasonable and actual out of pocket expenses so incurred.

(b) In the event the Institution should default under any of the provisions of this Loan Agreement and the Trustee should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Institution herein contained, the Institution

shall, on demand therefor, pay to the Trustee the reasonable and actual fees of such attorneys and such other reasonable and actual out-of-pocket expenses so incurred.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI EARLY TERMINATION OF LOAN AGREEMENT; OPTION IN FAVOR OF INSTITUTION

Section 11.1 Early Termination of Loan Agreement. The Institution shall have the option to terminate this Loan Agreement at any time that the Series 2021 Bonds are subject to redemption in whole under the Indenture and upon filing with the Issuer and the Trustee a certificate signed by an Authorized Representative of the Institution stating the Institution's intention to do so pursuant to this Section and the date upon which such payment shall be made (which date shall not be less than thirty (30) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in Section 11.2 hereof.

Section 11.2 Conditions to Early Termination of Loan Agreement. In the event the Institution exercises the option to terminate this Loan Agreement in accordance with the provisions of Section 11.1 hereof, the Institution shall make the following payments:

(a) To the Trustee for the account of the Issuer: an amount certified by the Trustee which, when added to the total amount on deposit with the Trustee for the account of the Issuer and the Institution and available for such purpose, will be sufficient to pay the principal of, Redemption Price of, and interest to maturity or the earliest practicable redemption date, as the case may be, on the Series 2021 Bonds, all expenses of redemption and the Trustee's fees and expenses.

(b) To the Issuer: an amount certified by the Issuer sufficient to pay all unpaid fees and expenses of the Issuer incurred under the Bond Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Bond Documents.

Section 11.3 Amounts Remaining on Deposit with the Trustee upon Payment of Bonds. After payment in full of the principal of, Redemption Price, and interest on the Series 2021 Bonds and the payment of all fees, charges, expenses and other amounts required to be paid under the Bond Documents, all amounts on deposit with the Trustee for the account of the Issuer and the Institution under the Bond Documents (except for amounts attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall belong to and be paid to the Institution by the Trustee as an overpayment of Loan Payments, and neither the Trustee nor the Owners of the Series 2021 Bonds shall have any rights hereunder, except those that shall have theretofore vested.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the other:

To the Issuer:

Town of Huntington Local Development Corporation
c/o Huntington Community Development Agency
100 Main Street, Suite 309
Huntington, New York 11743
Attention: Executive Director

To the Institution:

Gurwin Independent Housing, Inc.
68 Hauppauge Road
Commack, New York 11725
Attention: President & CEO

To the Trustee:

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Global Corporate Trust Services

A duplicate copy of each notice, certificate and other written communication given hereunder by either the Issuer or the Institution to the other shall also be given to the Trustee, and a duplicate copy of each notice, certificate and any other written communication given hereunder by either the Trustee or the Issuer to the other shall also be given to the Institution, at the addresses herein set forth or provided for. Such notice shall be deemed to have been given upon receipt or upon refusal of the party being notified to accept delivery of such notice.

Section 12.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 12.3 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Amendments, Changes and Modifications. This Loan Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto in accordance with the provisions of Article XI of the Indenture and with the concurring written consent of the Trustee.

Section 12.5 Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.6 Applicable Law. This Loan Agreement shall be governed by and construed exclusively by the applicable laws of the State without regard or reference to its conflict of laws principles.

Section 12.7 List of Additional Equipment; Further Assurances.

(a) If requested by the Issuer or the Trustee, the Institution shall thereafter furnish to the Issuer and the Trustee, within sixty (60) days after the end of each calendar year, a schedule listing all of the Equipment not theretofore previously described herein or in the aforesaid schedule which is covered by the liens of the Building Loan Mortgage and the Project Loan Mortgage.

(b) The Issuer and the Institution shall execute and deliver all instruments and shall furnish all information necessary or appropriate to perfect or protect any security interest created or contemplated by the Indenture.

Section 12.8 Survival of Obligations. This Loan Agreement shall survive the purchase and sale of the Series 2021 Bonds and all indemnities and the obligations of the Institution to make payments required by Section 5.3 shall survive the foregoing and any termination or expiration of this Loan Agreement and the payment, prepayment or redemption of the Series 2021 Bonds.

Section 12.9 Table of Contents and Section Headings not Controlling. The Table of Contents and the headings of the several Sections in this Loan Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Loan Agreement.

Section 12.10 USA Patriot Act Section 326 Customer Identification Program. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) there is a requirement that all financial institutions obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Loan Agreement agree that they will provide to the Issuer and the Trustee such information as the Trustee or the Issuer may request, from time to time, in order for the Issuer and the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow the Issuer and the Trustee to identify the individual or entity who is establishing the relationship or

opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

(Remainder of Page Intentionally Left Blank – Signature Pages Follow)

IN WITNESS WHEREOF, the Issuer and the Institution have caused this Loan Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**TOWN OF HUNTINGTON LOCAL
DEVELOPMENT CORPORATION**

By: _____
Name: Leah M. Jefferson
Title: Executive Director

STATE OF NEW YORK)
) ss.:
COUNTY OF [_____])

On the ____ day of [_____] in the year 2021, before me, the undersigned, personally appeared **Leah M. Jefferson** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her capacity, and that by her signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Loan Agreement
Signature Page 1 of 2

**GURWIN INDEPENDENT HOUSING,
INC.,**

By: _____
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF [_____])

On the ____ day of [_____] in the year 2021, before me, the undersigned, personally appeared [_____] , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT A

EQUIPMENT

All equipment, fixtures, machinery, building materials and items of personal property acquired, constructed and installed or to be acquired, constructed or installed at the Facility described in the Loan Agreement, dated as of March 1, 2021 (the “**Loan Agreement**”), by and between Town of Huntington Local Development Corporation (the “**Issuer**”), and Gurwin Independent Housing, Inc. (the “**Institution**”), and financed or refinanced in whole or in part with proceeds of the Issuer’s Revenue Bonds, Series 2021A (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021B (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), and its Revenue Bonds, Series 2021C (Gurwin Independent Housing, Inc./Fountaingate Gardens Project).

EXHIBIT B

(FORM OF SERIES 2021 PROMISSORY NOTE)

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS NOTE, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN

\$[]/[]

March __, 2021

SERIES 2021 [A]/[B]/[C] PROMISSORY NOTE

FOR VALUE RECEIVED, GURWIN INDEPENDENT HOUSING, INC., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 68 Hauppauge Road, Commack, New York 11725 (the “**Institution**”), promises to pay to the order of the TOWN OF HUNTINGTON LOCAL DEVELOPMENT CORPORATION, a local development corporation existing under the laws of the State of New York, having its principal office at c/o Huntington Community Development Agency, 100 Main Street, Suite 309, Huntington, New York 11743 (the “**Issuer**”), at such place as the Issuer may from time to time designate, the principal sum of \$[] with interest as provided herein.

All capitalized terms used but not defined in this Series 2021[A]/[B]/[C] Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of [], or its successor, as trustee (the “**Trustee**”) under the Indenture.

The principal amount, interest, Sinking Fund Payments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Payments and Redemption Price on the Series 2021[A]/[B]/[C] Bonds are payable under the Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This Series 2021[A]/[B]/[C] Promissory Note is referred to in the Loan Agreement, dated as of March 1, 2021 (the “**Loan Agreement**”), between the Institution and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2021[A]/[B]/[C] Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee under the Indenture of Trust, dated as of March 1, 2021 (the “**Indenture**”), by and between the Issuer and the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for

the payment of the Issuer’s \$[] in aggregate principal amount of Revenue Bonds, Series 2021[A]/[B]/[C] (Gurwin Independent Housing, Inc./Fountaingate Gardens Project) (the “**Series 2021[A]/[B]/[C]**”) issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Series 2021[A]/[B]/[C] Bonds are hereby incorporated as a part of this Series 2021[A]/[B]/[C] Promissory Note.

The Institution may under certain circumstances be required to prepay, together with accrued interest, all or any part of the amounts due under this Series 2021[A]/[B]/[C] Promissory Note, as provided in the Loan Agreement, the Indenture and the Series 2021[A]/[B]/[C] Bonds.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Institution.

The Institution hereby promises to pay reasonable and actual costs of collection and attorneys’ fees in case of default on this Series 2021[A]/[B]/[C] Promissory Note.

This Series 2021[A]/[B]/[C] Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

This Series 2021[A]/[B]/[C] Promissory Note is signed and delivered as of the date first above written.

**GURWIN INDEPENDENT HOUSING,
INC.**

By: _____

Name:

Title:

[SERIES 2021[A]/[B]/[C] PROMISSORY NOTE]

(FORM OF ENDORSEMENT)

Pay to the order of [_____], without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the Series 2021[A]/[B]/[C] Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Series 2021[A]/[B]/[C] Promissory Note.

**TOWN OF HUNTINGTON LOCAL
DEVELOPMENT CORPORATION**

By: _____
Name:
Title:

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(END OF FORM OF SERIES 2021 PROMISSORY NOTE)

APPENDIX D

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

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APPENDIX D

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

March __, 2021

Town of Huntington Local Development Corporation
c/o Huntington Community Development Agency
100 Main Street, Suite 309
Huntington, New York 11743

**Re: \$_____ The Town Of Huntington Local Development Corporation Revenue Bonds
(Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021 consisting of:
\$_____ Series 2021A, \$_____ Series 2021B Bonds and \$_____ Series 2021C Bonds**

Ladies and Gentlemen:

We have examined the record of proceedings in connection with the issuance by The Town Of Huntington Local Development Corporation the “Issuer”) of its \$_____ Revenue Bonds (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021 consisting of: \$_____ Series 2021A Bonds, \$_____ Series 2021B Bonds and \$_____ Series 2021C Bonds (collectively, the “Bonds”) for the benefit of Gurwin Independent Housing, Inc. d/b/a Fountaingate Gardens (the “Borrower”). The Borrower is a not-for-profit corporation organized and existing under the laws of the Stat of New York.

The Bonds are authorized to be issued pursuant to (a) Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”) of the State of New York, as amended (hereinafter collectively called the “Act”), (b) Resolution 2010-72 of the Town Board of the Town of Huntington adopted on February 9, 2010 (the “Town Resolution”) (c) a bond resolution (the “Bond Resolution”) adopted by the members of the Issuer on September 15, 2020, for the purpose of providing funds to assist in the financing or refinancing of the Project for the benefit of the Borrower, and (d) a certain Indenture of Trust, dated as of March 1, 2021 (the “Indenture”), by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”).

The Bonds are being issued for the purpose of: (A) the financing or refinancing of the construction, equipping, and furnishing of a senior independent living community, to be known as “Fountaingate Gardens”, that will be owned and operated by the Borrower, located at 30 Hauppauge Road, Commack, New York 11725, on an approximately 10.47-acre site (the “Land”), including, but not limited to: (i) the construction of an approximately 171,121 square foot, five-story (inclusive of below-grade improvements) building known as Parkview, consisting of approximately one hundred two (102) one-bedroom and two-bedroom apartments, a below-grade parking garage, accessory/storage space, and assembly space (collectively, “Parkview”); (ii) the construction of an approximately 57,444 square foot, four-story building known as the Terraces, consisting of approximately twenty-seven (27) one-bedroom and two-bedroom terrace apartments, a parking garage, accessory/storage space, and assembly space (collectively, the “Terraces”); (iii) the construction of an approximately 20,130 square foot common area building to be used by residents of Parkview and the Terraces, consisting of fitness and exercise areas, an indoor pool area, locker room space, accessory/storage space, library, kitchen, marketplace, and dining spaces, a business area, and assembly space, as well as an art studio, a salon and day spa, game room and multi-purpose room (collectively, the “Commons”); and (iv) the acquisition and installation of machinery and equipment in connection with the foregoing, for a total of approximately 248,695 square feet of new buildings and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities (collectively, the “Facility”); and (B) the payment of all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds, capitalized interest on the Bonds, working capital, funding a debt service reserve fund, and any other reserve funds in connection with the Facility or as may be necessary to secure the Bonds (the items in paragraphs (A) and (B) are referred to collectively as, the “Project” and the costs associated with items in paragraphs (A) through (B) are referred to collectively as “Project Costs”).

All capitalized terms, not otherwise defined herein, shall have the meaning given such terms in the Indenture.

The Bonds are being purchased by Herbert J. Sims & Co., Inc. (the “Underwriter”), pursuant to a certain Bond Purchase Agreement, dated _____, by and among the Issuer, the Underwriter, and the Borrower.

Under the terms of a certain Loan Agreement, dated as of March 1, 2021 (the “Loan Agreement”), by and between the Issuer and the Borrower, the Issuer is loaning the proceeds of the Bonds to the Borrower and the Borrower has agreed to make loan payments thereunder in an amount sufficient to pay, among other things, the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make certain other payments with respect to the Bonds as described therein.

The Borrower will use a portion of the proceeds of the funds advanced under the Loan Agreement to finance all or a portion of the Project Costs.

Pursuant to a certain Master Trust Indenture, dated as of March 1, 2021 (the “Master Trust Indenture”), by and between the Borrower, as the sole member of the obligated group thereunder (“Obligated Group”) and U.S. Bank National Association, as master trustee (the “Master Trustee”), as amended and supplemented, including as amended and supplemented by Supplemental Master Indenture No. 1 through No. 3, each dated as of March 1, 2021, by and between the Obligated Group and the Master Trustee (the “Supplemental Master Indentures”; and, together with the Master Trust Indenture, as so amended and supplemented, the “Master Indenture”), the Obligated Group has issued its Series No.

1A-1 Note, Series No. 1A-2 Note, Series No. 2 Note and the Series No. 3 Note (collectively, the “Notes”), each dated the date hereof, to the Issuer for the purpose of securing the Borrower’s obligation to make payments under the Loan Agreement. As further security for the Bonds, the Issuer has assigned the Notes to the Trustee.

The Bonds are further secured as described in the Indenture.

In connection with the issuance of the Bonds, the Issuer and the Borrower, have executed and delivered a certain Tax Compliance Agreement, dated the date of issuance of the Bonds (the “Tax Compliance Agreement”), in which the Issuer and the Borrower, have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and regulations and rulings of the United States Treasury Department promulgated thereunder (collectively, the “Code”).

The Bonds are dated as of their date of issuance and bear interest from that date on the unpaid principal amount at the rates set forth in, and pursuant to the terms of, the Indenture and the Bonds. The Bonds are subject prepayment or redemption prior to maturity, in whole or in part, at such time or times, or under such circumstances and in such manner as are set forth in the Bonds and the Indenture, respectively.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of rendering the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents, without having conducted any independent investigation.

In rendering the opinions set forth below, we have relied upon the opinion of Ruskin Moscou Faltischek PC, Uniondale, New York, counsel to the Borrower, of even date herewith, as to the matters set forth in such opinion without making any independent investigation of the factual basis therefor or the legal conclusions set forth therein.

Based upon and in reliance upon the foregoing, it is our opinion that:

(a) The Issuer is a local development corporation created pursuant to the Not-For-Profit Corporation Law of the State of New York and the Town Resolution and is duly organized and validly existing under the laws of the State of New York.

(b) The Issuer is duly authorized and entitled by law and the Town Resolution to issue, execute, sell and deliver the Bonds for the purpose of financing the Project.

(c) The Bond Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and legally binding upon the Issuer in accordance with its terms. The Issuer Documents have been duly authorized, executed and delivered and are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

(d) The Bonds have been duly authorized, executed and delivered, have been duly issued for value by the Issuer and are the valid, legal and binding special obligations of the Issuer payable in accordance with their respective terms and are entitled to the benefit and security of the Indenture in accordance with its terms.

(e) The Bonds do not constitute a debt of the Town of Huntington, New York, the County of Suffolk, New York or the State of New York, and neither the Town of Huntington, New York, the County of Suffolk, New York nor the State of New York will be liable thereon.

(f) Under statutes, regulations, administrative rulings and court decisions existing as of the date hereof, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not an "item of tax preference" for purposes of computing the federal alternative minimum tax imposed on individuals.

(g) Under existing law, for so long as interest on the Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

In rendering the opinions set forth in paragraphs (f) and (g) above, we have relied upon, among other things, certain representations and covenants of (i) the Issuer in the Indenture, the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Issuer, dated the date hereof, (ii) the Borrower in the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Borrower, dated the date hereof. We call your attention to the fact that there are certain requirements contained in the Code with which the Issuer and the Borrower must comply from and after the date of issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for federal income tax purposes, and consequently to remain exempt from personal income taxes imposed by the State of New York or any political subdivision thereof. The Issuer and the Borrower, or any other Person, by failing to comply with such requirements, may cause interest on the Bonds to become includable in gross income for federal income tax purposes and therefore subject to personal income taxes imposed by the State of New York and any political subdivision thereof, in each case, retroactive to the date of issuance of the Bonds. We render no opinion as to any federal, state or local tax consequences with respect to the Bonds, or the interest thereon, if any change occurs or action is taken or omitted by the Issuer, the Borrower, or any other Person under the Indenture, the Loan Agreement, the Tax Compliance Agreement, or any other relevant documents, without the advice or approval of, or upon the advice or approval of any Bond Counsel other than, Harris Beach PLLC.

Except for the opinions as set forth in paragraphs (f) and (g) above, we express no opinion regarding any federal, state or local income tax consequences arising with respect to the purchase or ownership of the Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Bond Resolution, the Bonds, any of the Project Documents and any other document executed in connection therewith may be limited by any applicable bankruptcy, insolvency or other similar law or equitable principle now or hereafter enacted by the State of New York or the federal government or pronounced by a court having proper jurisdiction, affecting the enforcement of creditors' rights generally.

We express no opinion as to (i) the title to the Facility; (ii) the sufficiency of the description of the Facility in the Indenture, the Loan Agreement or any other document; or (iii) the perfection or priority of any liens, charges or encumbrances on the Facility. Further, we have not been requested to examine

Town of Huntington Local Development Corporation

March [], 2021

Page 5

and have not examined any documents or information relating to the Issuer or the Borrower other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial information, or the adequacy thereof, which has been or may be supplied to the Master Trustee, the Trustee, the Underwriter or any other person.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. We express no opinion herein except as to the laws of the State of New York and the federal laws of the United States.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) dated as of March __, 2021 is made and entered into by and between Gurwin Independent Housing, Inc. (the “Corporation”) and U.S. Bank National Association, as the initial Dissemination Agent (as defined below), in connection with the issuance by the Town of Huntington Local Development Corporation (the “Issuer”) of its Revenue Bonds (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021 (the “Series 2021 Bonds”), consisting of \$ _____ Series 2021A Bonds (the “Series 2021A Bonds”), \$ _____ Series 2021B Entrance Fee Principal Redemption Bonds (the “Series 2021B Bonds”) and \$ _____ Series 2021C Entrance Fee Principal Redemption Bonds (the “Series 2021C Bonds”). The Bonds are being issued pursuant to a Indenture of Trust dated as of March 1, 2021 (the “Bond Indenture”) between the Issuer and U.S. Bank National Association, in its capacity as trustee for the holders of the Bonds (in such capacity, together with any successor trustee, the “Bond Trustee”).

NOW THEREFORE, intending to be legally bound hereby, the parties hereto hereby covenant and agree as follows:

SECTION 1. Purpose of the Continuing Disclosure Agreement. This Agreement is being executed and delivered for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist Herbert J. Sims & Co., Inc. (the “Underwriter”) in complying with the Rule (defined below). The Corporation acknowledges that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Agreement and has no liability to any person, including (without limitation) any holder or Beneficial Owner of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Master Indenture (defined below), which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in Sections 3 and 4 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Corporation and which has filed with its predecessor Dissemination Agent a written acceptance of such designation in accordance with Section 10 hereof.

“EMMA” means the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be prescribed by the MSRB for purposes of the Rule and approved by the SEC from time to time.

“Financial Obligation” means, for purposes of the events set out in Sections 5(15) and 5(16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Foundation” means the Gurwin Jewish Geriatric Foundation, Inc., d/b/a The Gurwin Jewish Healthcare Foundation.

“Liquidity Support Agreement” means the Liquidity Support Agreement dated March __, 2021, by and between the Foundation, as liquidity provider, the Corporation, the Master Trustee and the Bond Trustee, as amended and supplemented.

“Listed Events” shall mean any of the events listed in Section 5 of this Agreement.

“Loan Agreement” shall mean the Loan Agreement dated as of March 1, 2021, between the Issuer and the Corporation, as amended and supplemented.

“Master Indenture” shall mean the Master Trust Indenture dated as of March 1, 2021, by and between the Corporation, as initial Member of the Obligated Group and Obligated Group Agent, and U.S. Bank National Association, as master trustee, as amended and supplemented.

“Member” or “Member of the Obligated Group” shall mean any Person (as defined in the Master Indenture) listed on Exhibit C of the Master Indenture after designation as a Member of the Obligated Group pursuant to the terms of the Master Indenture.

“Monthly Report” shall mean any Monthly Report provided by the Corporation pursuant to, and as described in, Section 6(a) of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Obligated Group” shall mean, collectively, the Corporation and any other Member listed in the Master Indenture.

“Official Statement” shall mean the Official Statement dated _____, 2021 relating to the Bonds.

“Quarterly Report” shall mean any Quarterly Report provided by the Corporation pursuant to, and as described in, Section 6(b) of this Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“Semi-Annual Report” shall mean any Semi-Annual Report provided by the Corporation pursuant to, and as described in, Section 6(c) of this Agreement.

SECTION 3. Annual Reports.

(a) The Corporation shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, not later than [May 30th] of each year (or in the event of a change in the Corporation's fiscal year from the present January 1 to December 31 fiscal year, within 150 days after the end of such fiscal year), an Annual Report which is consistent with the requirements of Section 4 of this Agreement. On or prior to said date (except that in the event the Corporation elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the Corporation to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. The Corporation shall include with each such submission of the Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Annual Report is the Annual Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report.

(b) If by 5 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Corporation to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file provide notice to the Issuer and the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) certifying that the Corporation has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Agreement, and stating the date it was provided (if such report was provided).

(e) The information described above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Corporation is an obligated person" (as defined by the Rule), which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Corporation shall clearly identify each such other document so included by reference.

(f) If the Corporation's fiscal year changes, the Corporation will file or cause the Dissemination Agent to file a notice of such change with the MSRB.

SECTION 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following information:

(a) a copy of the consolidated annual financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles and audited by a certified public accountant, including a statement of the balances on deposit in each fund and account established under any Related Bond Indenture, provided, if the audited financial statements are not available within 150 days after the end of the Fiscal Year, unaudited financial statements shall be filed and subsequently replaced or supplemented by the audited financial statements when available; and

(b) a calculation of compliance by each Member with applicable covenants under any Related Loan Document (including without limitation, the Cumulative Cash Loss Covenant, the Debt Service Coverage Ratio Covenant and the Liquidity Covenant set forth in the Related Loan Document entered into in connection with the issuance of the Bonds), so long as each such covenant is in effect for such Fiscal Year, and

(c) a letter from such accountant to the effect that in the course of such audit nothing came to its attention to lead it to believe that (i) the Corporation failed to comply with the terms, covenants, provisions or conditions of sections [4.24, and 4.25] of the Master Indenture and sections [8.14(ii) and (iii)] of the Loan Agreement, inclusive; and

(d) a copy of the annual audited financial statement of the Foundation; and

(e) a letter from the Corporation confirming that, based upon such financial statement, the Foundation has more than \$5 million of unrestricted cash and investments or, if the Foundation has unrestricted cash and investments of \$5 million or less, that the Foundation has made the required deposit of \$5 million into the Liquidity Support Account pursuant to the Liquidity Support Agreement.

SECTION 5. Reporting of Listed Events. In a timely manner not in excess of ten Business Days after the occurrence of the event, the Corporation shall file with the MSRB or deliver to the Dissemination Agent for filing with the MSRB notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to rights of holders of the Bonds, if material;

- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Corporation, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Corporation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect security holders; or
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

SECTION 6. Monthly Reports; Semi-Annual Report; Quarterly Reports; Additional Information:

(a) *Monthly Reports.* The Corporation shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the Monthly Reports as soon as practicable after it is available but in no event more than 45 days after the end of each month. On or prior to said date (except that in the event the Corporation elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Monthly Report shall be provided by the Corporation to the Dissemination Agent together with

either (i) a letter authorizing the Dissemination Agent to file the Monthly Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Monthly Report to the MSRB and the date on which such Monthly Report was provided. The Corporation shall include with each such submission of the Monthly Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Monthly Report is the Monthly Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement.

1. Commencing after the issuance and delivery of the Bonds until Stabilization, a marketing report, showing (1) the number of Reserved Units at the beginning and at the end of the month, (2) the number of Residency Agreements terminated during the month specifying the reason for each termination and (3) if the month end for such report is also a fiscal quarter end, whether any Member is in compliance with applicable Marketing Requirements for such quarter under any Related Loan Document;
2. Commencing after the issuance of the Bonds until [construction completion], a construction status report evaluating construction progress prepared by a Construction Monitor, who shall monitor construction progress and the construction budget on a monthly basis and conduct site visits, meet with the construction manager, architect and the Development Consultant;
3. Commencing after the issuance of the Bonds until construction completion, a report by the Corporation on the progress of the construction showing the dollar amount and percentage of completion of each stage of construction, comparing such amounts to the amounts estimated in the schedule of values and construction progress schedule delivered at closing, estimating the amount of funds required to complete the Facility, and certifying that the amount available in the Construction Fund will be sufficient to pay the costs of completing the Facility;
4. Commencing after the issuance of the Bonds until construction completion, a report by the Corporation on the development costs of the Facility incurred during that month and on an aggregate basis;
5. Commencing after Initial Occupancy until Stabilization, an occupancy report, showing (1) the number of Independent Living Units Occupied at the beginning and at the end of the month, (2) the number of Independent Living Units vacated during the month, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units as a percentage of capacity, and (4) if the month end for such report is also a fiscal quarter end, whether each Member is in compliance with applicable Occupancy Requirements for such quarter under any Related Loan Document; and
6. Commencing after Initial Occupancy until Stabilization, unaudited financial statements of the Obligated Group including (i) a balance sheet (showing the

balances on deposit in each fund held under any Related Bond Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, and (iii) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations.

(b) *Quarterly Reports.* The Corporation shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the Quarterly Reports as soon as practicable after it is available but in no event more than 60 days after the completion of such fiscal quarter commencing with the fiscal quarter immediately following Stabilization. On or prior to said date (except that in the event the Corporation elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Quarterly Report shall be provided by the Corporation to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Quarterly Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Quarterly Report to the MSRB and the date on which such Quarterly Report was provided. The Corporation shall include with each such submission of the Quarterly Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Quarterly Report is the Quarterly Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement.

1. quarterly unaudited financial statements of the Obligated Group (including unaudited financial statements with respect to the fourth quarter of each fiscal year), including (i) a balance sheet (showing the balances on deposit in each fund held under the Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) a calculation of compliance with the Debt Service Coverage Ratio Covenant and, semi-annually, the Liquidity Covenant, and (iv) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations;
2. a marketing report, showing (1) the number of Reserved Units at the beginning and at the end of the fiscal quarter, (2) the number of Residency Agreements terminated during the fiscal quarter specifying the reason for each termination and (3) whether any Member is in compliance with applicable Marketing Requirements for such quarter under any Related Loan Document; and
3. an occupancy report, showing (1) the number of Independent Living Units Occupied at the beginning and at the end of the fiscal quarter, (2) the number of Independent Living Units vacated during the fiscal quarter, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units as a percentage

of capacity, and (4) whether each Member is in compliance with applicable Occupancy Requirements for such quarter under any Related Loan Document.

(c) *Semi-Annual Report.* The Corporation shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the Semi-Annual Reports as soon as practicable after it is available but in no event more than [60] days after the end of each June 30th (or in the event of a change in the Foundation's fiscal year from the present January 1 to December 31 fiscal year, within 180 days after the end of such fiscal year), commencing with [_____]. On or prior to said date (except that in the event the Corporation elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Semi-Annual Report shall be provided by the Corporation to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Semi-Annual Report with the MSRB, or (ii) a certificate stating that the Corporation has provided the Semi-Annual Report to the MSRB and the date on which such Semi-Annual Report was provided. The Corporation shall include with each such submission of the Semi-Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Semi-Annual Report is the Semi-Annual Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement.

1. A copy of the semi-annual unaudited financial statement of the Foundation; and
2. A letter from the Corporation confirming that, based upon such financial statement, the Foundation has more than \$5 million of unrestricted cash and investments or, if the Foundation has unrestricted cash and investments of \$5 million or less, that the Foundation has made the required deposit of \$5 million into the Liquidity Support Account pursuant to the Liquidity Support Agreement.

(d) *Additional Information.* At any time during the Fiscal Year, the Corporation shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, any Additional Information described below as soon as practicable after it is available. If the Corporation elects to have the Dissemination Agent file such Additional Information, the Corporation shall provide a letter authorizing the Dissemination Agent to file the Additional Information with the MSRB.

1. Copies of any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, promptly upon receipt.
2. To the extent the Obligated Group incurs, in the aggregate, more than \$500,000 in Additional Indebtedness of a form for which there is not a CUSIP number (the "non-Public Debt"), the Obligated Group Agent will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregated debt service of the Obligated Group. To the extent that the non-Public Debt is used to

construct additional units at the Facilities, the Obligated Group Agent will provide monthly reports similar to those prepared by any construction consultants for such project.

3. Any material changes to Gurwin Jewish Nursing & Rehabilitation Center's Medicare and Medicaid Services rating promptly upon notification of the Obligated Group Agent of such rating change.
4. A copy of the Corporation's annual operating and capital budgets, within 30 days after commencement of each Fiscal Year.
5. Within thirty (30) days of any revision of the schedule of Entrance Fees or [Monthly Fees] being charged or quoted to residents or prospective residents of the Facility, a report on the amounts of such revised Entrance Fees or [Monthly Fees] for each type of unit setting forth the reasons for such revision.
6. A copy of any actuarial report prepared for the Corporation with respect to its future service obligation.

(d) *Failure to Provide Required Notices.* In a timely manner, the Corporation shall file with the MSRB written notice of any failure by the Corporation to provide any information required pursuant to Section 5 or 6 herein within the time limit specified therein.

SECTION 7. Investor Calls. The Corporation shall make available one or more representatives for a quarterly telephone conference call (or more frequently if requested by a majority of Beneficial Owners) with the Beneficial Owners to discuss the financial results of the preceding fiscal quarter and such other matters as are relevant or are reasonably requested by the Beneficial Owners, within 65 days after the completion of such fiscal quarter (and in all cases such conference call shall occur after the delivery of the quarterly report required by Section 6(b) above for such fiscal quarter); provided, however, that upon achievement of an investment grade rating on the Bonds, such conference calls shall be required to be held on an annual basis only, within 180 days after the end of each Fiscal Year (and in all cases such annual conference call shall occur after the delivery of the annual financial report required by Section 3(a) above. The Corporation shall post notice of such calls to EMMA at least one week prior to the scheduled date of each call.

SECTION 8. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Corporation's obligations under the Master Indenture are assumed in full by another person or entity, such other person or entity shall be responsible for compliance with this Agreement in the same manner as if it were the Corporation and the Corporation shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Corporation shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5 hereof.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all documents provided to the MSRB in compliance with the Agreement shall be provided to the MSRB in an electronic format and shall be accompanied by identifying information, in each case as prescribed by the MSRB.

SECTION 10. Dissemination Agent. The initial Dissemination Agent shall be U.S. Bank National Association. The Corporation may, from time to time upon 30 days' written notice to the Dissemination Agent, appoint or engage a new Dissemination Agent, and may discharge any such Dissemination Agent, upon the appointment of a successor Dissemination Agent. The Corporation shall be responsible for all fees and associated expenses of the Dissemination Agent. The Corporation may also, upon 30 days' written notice to the Dissemination Agent, discharge the Dissemination Agent without appointing a successor and assume the duties of the Dissemination Agent hereunder.

SECTION 11. Amendment: Waiver. Notwithstanding any other provision of this Agreement, the Corporation may amend this Agreement and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of counsel experienced in matters relating to federal securities law, cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, or materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Corporation shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Corporation. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 12. Additional Information. Nothing in this Agreement shall be deemed to prevent the Corporation from disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Corporation chooses to include any information in any Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Corporation shall not have any obligation under this Agreement to update such information or include it in any future Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event.

SECTION 13. Default. In the event of a failure of the Corporation to comply with any provision of this Agreement, the Dissemination Agent shall, at the written direction of a Underwriter or the holders of at least 25% in aggregate principal amount of Outstanding Bonds (but only if and to the extent the Dissemination Agent is indemnified to its satisfaction from any costs, liability or expense including, without limitation, fees and expenses of its attorneys, as provided in the Bond Indenture), or any holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Corporation to comply with its obligations under this Agreement. A

default under this Agreement shall not be deemed an Event of Default under the Bond Indenture, Master Indenture or the Loan Agreement, and the sole remedy under this Agreement in the event of a failure of the Corporation to comply with this Agreement shall be an action to compel performance; provided, however that nothing in this Agreement shall limit any Beneficial Owner's rights that it otherwise would have under applicable federal securities laws. In no event shall the Dissemination Agent be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The parties' only recourse against the Dissemination Agent shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Agreement.

SECTION 14. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Corporation) shall have only such duties as are specifically set forth in this Agreement, and the Corporation agrees to indemnify and save the Dissemination Agent (if other than the Corporation), its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Corporation under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Corporation covenants that whenever it is serving as Dissemination Agent, it shall take any action required of the Dissemination Agent under this Agreement.

SECTION 15. Beneficiaries. This Agreement shall inure solely to the benefit of the Corporation, the Dissemination Agent, the Underwriter, and the holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date set forth above.

GURWIN INDEPENDENT HOUSING, INC.

By: _____

Name:

Title:

U.S. BANK NATIONAL ASSOCIATION, as
Dissemination Agent

By: _____

Name:

Title:

EXHIBIT A
to Continuing Disclosure Agreement

**NOTICE TO MSRB OF FAILURE TO FILE [ANNUAL/SEMI-ANNUAL,
QUARTERLY/MONTHLY] REPORT**

Name of Issuer: Town of Huntington Local Development Corporation

Name of Bond Issue: Revenue Bonds (Gurwin Independent Housing, Inc./Fountaingate Gardens Project), Series 2021

Name of the Obligated Entity: Gurwin Independent Housing, Inc.

CUSIP:

Date of Issuance: March __, 2021

Notice is hereby given that the Gurwin Independent Housing, Inc. (the “Obligated Entity”) has not yet provided [an Annual/a Semi-Annual/a Quarterly/a Monthly] Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between the Obligated Entity and U.S. Bank, National Association (the “Dissemination Agent”), dated as of March __, 2021.

Date: _____

U.S. BANK NATIONAL ASSOCIATION, as
Dissemination Agent

By: _____
Name:
Title:

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