

**SUPPLEMENT DATED OCTOBER 15, 2021 TO
PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2021**

RELATING TO:



\$263,630,000*
**PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(SEARSTONE CCRC PROJECT)**
consisting of:

\$104,850,000* REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2021A	\$36,310,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDS SM (SEARSTONE CCRC PROJECT) SERIES 2021B-1	\$32,240,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDS SM (SEARSTONE CCRC PROJECT) SERIES 2021B-2	\$5,315,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDS SM (SEARSTONE CCRC PROJECT) SERIES 2021C (TAXABLE)	\$8,920,000* REFUNDING REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2022A (FORWARD DELIVERY)	\$75,995,000* REFUNDING REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2023A (FORWARD DELIVERY)
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The following information is to supplement the Preliminary Official Statement dated October 1, 2021 (the “POS”), relating to the above-referenced bonds (the “Bonds”). The following revisions of the POS are to be incorporated pursuant to this Supplement. Capitalized words used herein shall have the meanings set forth in the POS.

1) Investor Letter – The description of the Investor Letter is revised throughout the POS as follows. Qualified Institutional Buyers are not required to execute and deliver an Authorized Investor Letter at the time of issuance of any series of Bonds.

INITIAL PURCHASERS OF THE BONDS **THAT ARE ACCREDITED INVESTORS BUT ARE NOT QUALIFIED INSTITUTIONAL BUYERS** WILL BE REQUIRED TO EXECUTE AND DELIVER AN AUTHORIZED INVESTOR LETTER SUBSTANTIALLY IN THE APPLICABLE FORM SET FORTH IN APPENDIX H OF THIS OFFICIAL STATEMENT.

2) Chief Financial Officer - Mary Clements, the Chief Financial Officer of the Corporation, recently announced her intention to resign her position effective November 19, 2021 in order to accept another employment opportunity. Ms. Clements will continue to assist the Corporation with tasks relating to preparing monthly financial information, participating in regularly scheduled conference calls with the Board, and assisting with the closing of the Bonds. She also intends to assist in completing the Corporation’s annual budget for fiscal year 2022, training a replacement Chief Financial Officer and assisting with the production of year-end audited financial statements.

The Corporation employs two accounting personnel who handle daily tasks involved with Payroll, Accounts Receivable and Accounts Payable. In addition, Mr. Rusty Mizelle, an employee of the Manager, served as the Chief Financial Officer of the Corporation at the time of the opening of the Community. Mr. Mizelle intends to assist the Corporation with certain financial matters on an interim basis.

The Manager is assisting the Corporation with recruiting a replacement Chief Financial Officer.

* Preliminary, subject to change.

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This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

BOOK-ENTRY ONLY

In the opinion of Robinson, Bradshaw & Hinson, P.A., Bond Counsel, (1) interest on the Tax-Exempt Bonds (as defined herein) (a) is excludable from the gross income of the owners thereof for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; (2) interest on the Taxable Bonds (as defined herein) is not excludable from the gross income of the owners thereof for federal income tax purposes; and (3) interest on the Bonds (as defined herein) is not exempt from Wisconsin or North Carolina income taxes. The foregoing opinions will be rendered separately for the Series 2021 Bonds and the Series 2022 Bonds on the respective issue dates of such Bonds. See "TAX MATTERS" herein.



\$263,630,000*
PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(SEARSTONE CCRC PROJECT)
consisting of:

\$104,850,000*	\$36,310,000*	\$32,240,000*	\$5,315,000*	\$8,920,000*	\$75,995,000*
Revenue Bonds	Entrance Fee Principal	Entrance Fee Principal	Entrance Fee Principal	Refunding Revenue	Refunding Revenue
(Searstone	Redemption BondsSM	Redemption BondsSM	Redemption BondsSM	Bonds	Bonds
CCRC Project)	(Searstone	(Searstone	(Searstone	(Searstone	(Searstone
Series 2021A	CCRC Project)	CCRC Project)	CCRC Project)	CCRC Project)	CCRC Project)
	Series 2021B-1	Series 2021B-2	Series 2021C	Series 2022A	Series 2023A
			(Taxable)	(Forward Delivery)	(Forward Delivery)

Maturity Dates, Principal Amounts, Interest Rates, Yields and CUSIPS Shown on the Inside Cover

The Public Finance Authority (the "Issuer") is issuing its \$104,850,000* Revenue Bonds (Searstone CCRC Project), Series 2021A (the "Series 2021A Bonds"); \$36,310,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-1 (the "Series 2021B-1 Bonds"); \$32,240,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-2 (the "Series 2021B-2 Bonds"); and \$5,315,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021C (Taxable) (the "Series 2021C Bonds" or the "Taxable Bonds" and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds and the Series 2021B-2 Bonds, the "Series 2021 Bonds") under an Indenture of Trust dated as of October 1, 2021 (the "2021 Bond Indenture"), between the Issuer and UMB Bank, National Association, as Bond Trustee (the "Bond Trustee"). The Issuer will issue its \$8,920,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A (Forward Delivery) (the "Series 2022 Bonds") under an Indenture of Trust dated as of March 1, 2022, between the Issuer and the Bond Trustee (the "2022 Bond Indenture") and its \$75,995,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A (Forward Delivery) (the "Series 2023 Bonds" and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2022 Bonds, the "Tax-Exempt Bonds") under an Indenture of Trust dated as of March 1, 2023, between the Issuer and the Bond Trustee (the "2023 Bond Indenture" and, together with the 2021 Bond Indenture and the 2022 Bond Indenture, the "Bond Indentures").

The proceeds of the Series 2021 Bonds will be loaned to Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation d/b/a Searstone Retirement Community (the "Corporation"), pursuant to a Loan Agreement dated as of October 1, 2021 (the "2021 Loan Agreement"), between the Issuer and the Corporation, and used to: (a) finance capital expenditures, including (i) costs relating to the expansion of the Corporation's continuing care retirement community known as Searstone (the "Community"), specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the "Phase II Expansion"), and (ii) the modification, improvement, or enhancement of certain infrastructure serving the Community (collectively with the Phase II Expansion, the "2021 Project"); (b) refund the Issuer's Revenue Bonds (Searstone CCRC Project) Series 2020A and Series 2020B Taxable, the proceeds of which were used to finance certain preliminary and initial costs of the 2021 Project, (c) fund capitalized interest, (d) fund a portion of the Parity Debt Service Reserve Fund (as hereinafter defined) as additional security for the Series 2021A Master Obligation (as hereinafter defined), (e) fund the 2021B-C Debt Service Reserve Fund (as hereinafter defined), and (f) pay a portion of the costs of issuing the Series 2021 Bonds. The proceeds of the Series 2022 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2022, between the Issuer and the Corporation (the "2022 Loan Agreement"), and used to (1) refund the Issuer's Revenue Bonds (Searstone CCRC Project) Series 2016, the proceeds of which were used to finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community's health center, improvements to the Community's landscaping, and the acquisition of land for the Phase II Expansion, and (2) pay a portion of the costs of issuing the Series 2022 Bonds. The proceeds of the Series 2023 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2023, between the Issuer and the Corporation (the "2023 Loan Agreement" and, together with the 2021 Loan Agreement and the 2022 Loan Agreement, the "Loan Agreements"), and used to refund the Issuer's Refunding Revenue Bonds (Searstone CCRC Project) Series 2017A (the "Series 2017A Bonds"), and its Revenue Bonds (Searstone CCRC Project), Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds"), and pay a portion of the costs of issuing the Series 2023 Bonds.

The Series 2021 Bonds, the Series 2022 Bonds and the Series 2023 Bonds (together, the "Bonds") and the interest payable thereon will be limited obligations of the Issuer payable solely from and secured only by the funds pledged thereto under their applicable Bond Indentures, the payments to be made by the Corporation pursuant to their applicable Loan Agreements, and related Master Obligations (as defined herein) issued by the Corporation under that certain Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as trustee (the "Master Trustee"), as supplemented and amended (the "Master Indenture"). The Bonds are subject to acceleration of maturity and optional and mandatory redemption, in whole or in part, prior to maturity at the prices and under the circumstances described herein. See "THE BONDS - Redemption" herein. The Bonds when issued will be registered only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Principal of and interest on the Bonds will be paid by the Bond Trustee to DTC, which in turn will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "Book Entry Only System" in APPENDIX F hereto.

An investment in the Bonds involves a certain degree of risk related to, among other things, the nature of the Corporation's business, the regulatory environment, and the provisions of the principal documents. A prospective Bondholder is advised to read "SECURITY FOR THE BONDS" and "BONDHOLDERS' RISKS" herein for a discussion of certain risk factors that should be considered in connection with an investment in the Bonds. Additionally, for a discussion regarding forward delivery of the Series 2022 Bonds, certain conditions to the obligations of the Underwriter to purchase the Series 2022 Bonds and certain risks to the purchasers of the Series 2022 Bonds, see "FORWARD DELIVERY OF SERIES 2022 BONDS" herein, and for a discussion regarding forward delivery of the Series 2023 Bonds, certain conditions to the obligations of the Underwriter to purchase the Series 2023 Bonds and certain risks to the purchasers of the Series 2023 Bonds, see "FORWARD DELIVERY OF SERIES 2023 BONDS" herein. Purchasers of Series 2022 Bonds or Series 2023 Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as APPENDIX J or APPENDIX K, as applicable.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON (AS DEFINED IN THE LOAN AGREEMENTS), THE STATE OF WISCONSIN, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE ISSUER HAS NO TAXING POWER.

NEITHER THE BONDS NOR ANY BENEFICIAL OWNERSHIP INTEREST THEREIN MAY BE TRANSFERRED BY THE BENEFICIAL OWNER THEREOF EXCEPT (I) IN AUTHORIZED DENOMINATIONS TO (II) ANY PERSON THAT IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR (B) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED), AND IN EITHER CASE, IN A MINIMUM PRINCIPAL AMOUNT OF \$25,000. PURCHASERS OF THE BONDS SHALL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AS TO COMPLIANCE WITH INVESTOR SUITABILITY CRITERIA SET FORTH UNDER "INVESTOR SUITABILITY STANDARDS" HEREIN. INITIAL PURCHASERS OF THE BONDS WILL BE REQUIRED TO EXECUTE AND DELIVER AN AUTHORIZED INVESTOR LETTER SUBSTANTIALLY IN THE APPLICABLE FORM SET FORTH IN APPENDIX H OF THIS OFFICIAL STATEMENT.

The Bonds are being offered, subject to prior sale and withdrawal of such offer without notice, when, as and if issued by the Issuer and accepted by Herbert J. Sims & Company, Inc. (the "Underwriter") subject to the approving opinions of Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, von Briesen & Roper, s.c., Milwaukee, Wisconsin; for the Corporation by its counsel, Krevolin & Horst, LLC, Atlanta, Georgia and K&L Gates LLP, Raleigh, North Carolina; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about November __, 2021, the Series 2022 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about March 3, 2022, and the Series 2023 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about March 3, 2023.



Dated: October __, 2021

* Preliminary, subject to change.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

\$263,630,000*
PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(SEARSTONE CCRC PROJECT)

CONSISTING OF:

\$104,850,000* Revenue Bonds
(Searstone CCRC Project), Series 2021A

\$7,750,000* ____ % Term Bond due June 1, 2031*, Yield ____ %, CUSIP® No.¹ ____
\$9,455,000* ____ % Term Bond due June 1, 2036*, Yield ____ %, CUSIP® No.¹ ____
\$11,555,000* ____ % Term Bond due June 1, 2041*, Yield ____ %, CUSIP® No.¹ ____
\$76,090,000* ____ % Term Bond due June 1, 2056*, Yield ____ %, CUSIP® No.¹ ____

\$36,310,000* Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project), Series 2021B-1

\$36,310,000* ____ % Term Bond due June 1, 2028*, Yield ____ %, CUSIP® No.¹ ____

\$32,240,000* Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project), Series 2021B-2

\$32,240,000* ____ % Term Bond due June 1, 2027*, Yield ____ %, CUSIP® No.¹ ____

\$5,315,000* Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project), Series 2021C (Taxable)

\$5,315,000* ____ % Term Bond due June 1, 2026*, Yield ____ %, CUSIP® No.¹ ____

\$8,920,000* Revenue Bonds
(Searstone CCRC Project), Series 2022A (Forward Delivery)

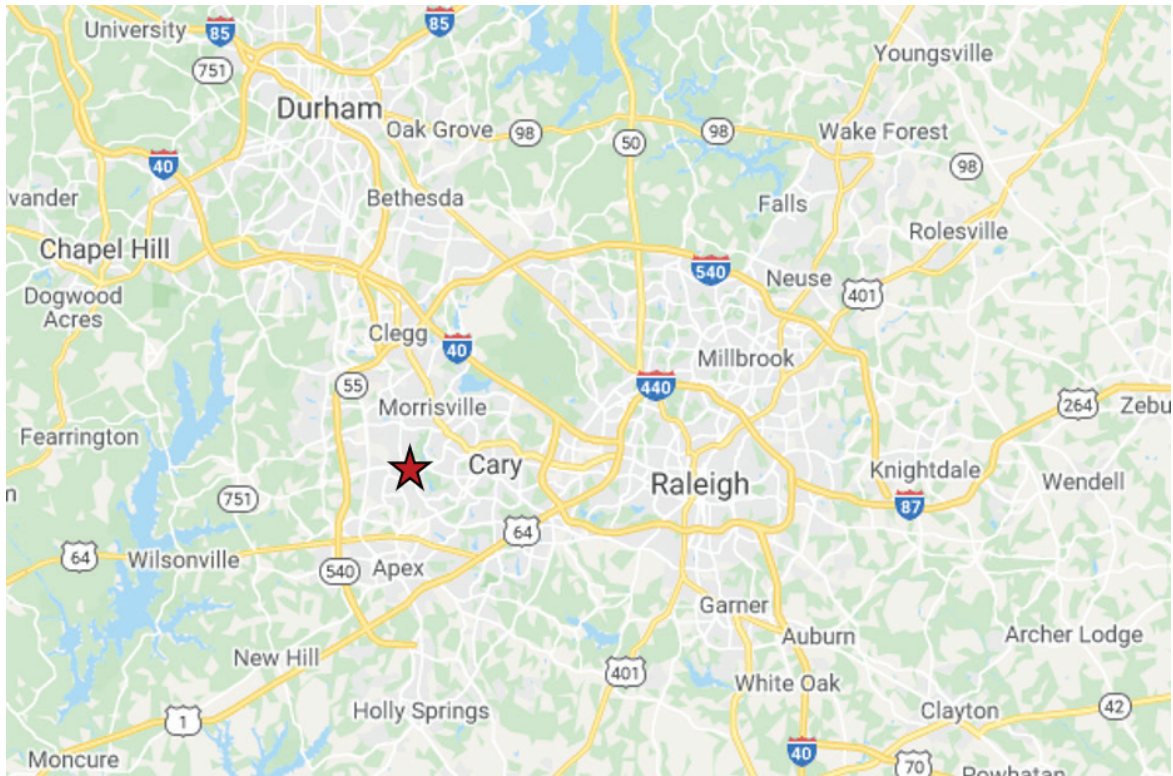
\$8,920,000* ____ % Term Bond due June 1, 2049*, Yield ____ %, CUSIP® No.¹ ____

\$75,995,000* Revenue Bonds
(Searstone CCRC Project), Series 2023A (Forward Delivery)

\$5,695,000* ____ % Term Bond due June 1, 2027*, Yield ____ %, CUSIP® No.¹ ____
\$20,380,000* ____ % Term Bond due June 1, 2037*, Yield ____ %, CUSIP® No.¹ ____
\$33,605,000* ____ % Term Bond due June 1, 2047*, Yield ____ %, CUSIP® No.¹ ____
\$16,315,000* ____ % Term Bond due June 1, 2052*, Yield ____ %, CUSIP® No.¹ ____

* Preliminary, subject to change.

¹ CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Underwriter or the Corporation, and are included solely for the convenience of the holders of the Bonds. None of the Issuer, the Underwriter or the Corporation is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds as indicated above.



Location of Community



Rendering of Community After Expansion

Renderings are preliminary and subject to change.



Rendering of Expansion Entrance



Rendering of Expansion Apartment Exterior

Renderings are preliminary and subject to change.



Exterior Rendering of Expansion Outdoor Space



Rendering of Expansion Lobby

Renderings are preliminary and subject to change.



Rendering of Expansion Bistro



Interior Rendering of Independent Living Apartment

Renderings are preliminary and subject to change.



Rendering of Expansion Performance Hall



Winston Clubhouse Exterior

Renderings are preliminary and subject to change.



Estate Home



Brittany Place

PRELIMINARY NOTICES

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Corporation, the Issuer, or the Underwriter. The information set forth herein concerning the Corporation has been furnished by the Corporation and is believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any person to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder will under any circumstances create any implication that there has been no change in the affairs of the Corporation since the date hereof.

THE ISSUER HAS NOT REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO OTHER THAN THE STATEMENTS SET FORTH UNDER THE CAPTIONS "THE ISSUER" AND "LITIGATION – THE ISSUER."

In making an investment decision, investors must rely on their own examination of the Bonds, the Obligated Group, and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, no such commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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 part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information contained in this Official Statement has been furnished by the Corporation, the Issuer, DTC and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information and expressions of opinion 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 parties referred to above since the date hereof.

UMB Bank, National Association, in each of its capacities, including, but not limited to, Bond Trustee, Master Trustee, bond registrar and paying agent, has not participated in the preparation of this Official Statement and assumes no responsibility for its content.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND IF DISCONTINUED, MAY BE RECOMMENCED AT ANY TIME.

**CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING
STATEMENTS IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute “forward looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward looking statements include, but are not limited to, certain statements contained in the information in **APPENDIX A** to this Official Statement.

The achievement of certain results or other expectation contained in such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The Corporation does not plan to issue an updates or revisions to those forward looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

This Official Statement is being provided to prospective purchasers in either bound or printed format (“Original Bound Format”), or in electronic format on the following website: www.munios.com. This Official Statement may be relied on only if it is in its original bound format, or if it is printed or saved in full directly from the aforementioned website or www.emma.msrb.org.

RESTRICTIONS ON PURCHASE OF BONDS

THE BONDS MAY BE SOLD ONLY TO PURCHASERS MEETING THE INVESTOR SUITABILITY STANDARDS SET FORTH UNDER “RESTRICTIONS ON OWNERSHIP AND TRANSFER OF THE BONDS” AND “INVESTOR SUITABILITY STANDARDS” HEREIN. PURCHASERS OF THE BONDS WILL BE DEEMED TO HAVE MADE REPRESENTATIONS AS TO COMPLIANCE WITH SUCH INVESTOR SUITABILITY CRITERIA. THE SALE OR OTHER DISTRIBUTION OF THE BONDS IS SUBJECT TO CERTAIN RESTRICTIONS. INITIAL PURCHASERS OF THE BONDS WILL BE REQUIRED TO EXECUTE AND DELIVER AN AUTHORIZED INVESTOR LETTER SUBSTANTIALLY IN THE APPLICABLE FORM SET FORTH IN APPENDIX H OF THIS OFFICIAL STATEMENT.

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SHORT 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, including the appendices, which should be read in its entirety including the assumptions, methodology and rationale underlying the Financial Feasibility Study appearing as **APPENDIX C** to this Official Statement. The Financial Feasibility Study included as **APPENDIX C** hereto should be read in its entirety. The offering of the Bonds (as defined herein) to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Short 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 Short Statement, see “FORMS OF PRINCIPAL FINANCING DOCUMENTS (INCLUDING MASTER INDENTURE, SUPPLEMENTAL INDENTURES, BOND INDENTURES, LOAN AGREEMENTS, DEED OF TRUST, 2022 BOND PURCHASE AGREEMENT, AND 2023 BOND PURCHASE AGREEMENT)” in **APPENDIX D** hereto.

The Issuer

The Public Finance Authority (the “Issuer”), a unit of government and a body corporate and politic of the State of Wisconsin (the “State”), pursuant to Section 66.0304, Wisconsin Statutes, as amended (the “Act”), is authorized pursuant to the Act to issue its revenue bonds for the purpose of financing and refinancing a project, including, but not limited to, any capital improvement, purchase of receivables, property, assets, commodities, bonds or other revenue streams or related assets, working capital program or liability or other insurance program located within or outside the State. See “THE ISSUER” herein.

Plan of Finance

Series 2021 Bonds. The Issuer will issue its \$104,850,000* Revenue Bonds (Searstone CCRC Project), Series 2021A (the “Series 2021A Bonds”); \$36,310,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-1 (the “Series 2021B-1 Bonds”); \$32,240,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-2 (the “Series 2021B-2 Bonds”); and \$5,315,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021C (Taxable) (the “Series 2021C Bonds” or the “Taxable Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds and the Series 2021B-2 Bonds, the “Series 2021 Bonds”). Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation d/b/a Searstone Retirement Community (the “Corporation”), will use the proceeds of the Series 2021 Bonds for the purpose of (a) financing capital expenditures, including (i) costs relating to the expansion of the Corporation’s continuing care retirement community known as Searstone (the “Community”), specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion” or the “Phase II Expansion Project”), and (ii) the modification, improvement, or enhancement of certain infrastructure serving the Community (collectively with the Phase II Expansion, the “2021 Project”); (b) refunding the Issuer’s Revenue Bonds (Searstone CCRC Project) Series 2020A and Series 2020B Taxable (the “Series 2020 Bonds”), the proceeds of which were used to finance certain preliminary and initial costs of the 2021 Project, (c) funding capitalized interest on the Series 2021 Bonds, (d) funding a portion of the Parity Debt Service Reserve Fund (as hereinafter defined) as additional security for the Series 2021A Master Obligation (as hereinafter defined), (e) funding the 2021B-C Debt Service Reserve Fund (as hereinafter defined), and (f) paying a portion of the costs of issuing the Series 2021 Bonds.

Forward Delivery – Series 2022 Bonds. The Issuer will issue its \$8,920,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A (Forward Delivery) (the “Series 2022 Bonds”). The Corporation will use the proceeds of the Series 2022 Bonds for the purpose of (i) refunding the Issuer’s Revenue Bonds (Searstone CCRC Project) Series 2016 (the “Series 2016 Bonds”), the proceeds of which were used to finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center, improvements to the Community’s landscaping, and the acquisition of land for the Phase II Expansion, and (ii) paying a portion of the costs of issuing the Series 2022 Bonds.

* Preliminary, subject to change.

Forward Delivery – Series 2023 Bonds. The Issuer will issue its \$75,995,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A (Forward Delivery) (the “Series 2023 Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2022 Bonds, the “Tax-Exempt Bonds”). The Corporation will use the proceeds of the Series 2023 Bonds for the purpose of (i) refunding the Issuer’s Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project), Series 2017B (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), and (ii) paying a portion of the costs of issuing the Series 2023 Bonds.

See “PLAN OF FINANCE” herein for additional information relating to the plan of finance relating to the Series 2021 Bonds, the Series 2022 Bonds and the Series 2023 Bonds (collectively, the “Bonds”), the Phase II Expansion, and information on marketing and presales related to the Phase II Expansion.

Description of the Bonds

Redemption. The Bonds are subject to redemption prior to their stated maturity. See “THE BONDS” herein.

Denominations. The Bonds are issuable in the denominations of \$25,000 and any integral multiple of \$5,000 in excess thereof. See “THE BONDS” herein.

Registration, Transfers and Exchanges. The Bonds are issuable only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and will be available to ultimate purchasers (“Beneficial Owners”) under the book-entry only system maintained by DTC, only through brokers and dealers who are, or act through, its participating members, which include securities brokers and dealers, banks, trust companies, and clearing corporations (“DTC Participants”). Beneficial Owners will not be entitled to receive physical delivery of the Bonds. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. See “BOOK-ENTRY ONLY SYSTEM” in **APPENDIX F** hereto.

Payments. Interest on the Bonds is payable on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing June 1, 2022 with respect to the Series 2021 Bonds and the Series 2022 Bonds and June 1, 2023 with respect to the Series 2023 Bonds. Payment of the principal of and interest on each series of the Bonds will be made by the Bond Trustee directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter by the DTC Participants to Beneficial Owners of the Bonds. See “BOOK-ENTRY ONLY SYSTEM” in **APPENDIX F** hereto.

Tax Matters. In the opinion of Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, Bond Counsel, 1) interest on the Tax-Exempt Bonds (a) is excludable from the gross income of the owners thereof for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; (2) interest on the Taxable Bonds is not excludable from the gross income of the owners thereof for federal income tax purposes; and (3) interest on the Bonds is not exempt from Wisconsin or North Carolina income taxes. The foregoing opinions will be rendered separately for the Series 2021 Bonds, the Series 2022 Bonds and the Series 2023 Bonds on the respective issue dates of such Bonds. See “TAX MATTERS” herein.

Amendments. By their ownership interests in the Bonds, the holders thereof will be deemed to have consented, and will authorize the Underwriter to sign a written consent on their behalf, to:

- (1) The amendments to the Master Indenture (as hereinafter defined) as set forth in the proposed form of the Supplemental Indenture Number 5 attached in APPENDIX D hereto; and**
- (2) The Third Amended and Restated Master Trust Indenture in the proposed form attached in APPENDIX I hereto, which will be applicable to holders of all bonds secured by Master Obligations effective on such date as all of the Series 2016 Bonds and the Series 2017 Bonds have been defeased or refunded.**

See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” herein, “FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES –

Supplemental Indenture Number 5” attached in **APPENDIX D** hereto, and “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE” attached in **APPENDIX I** hereto.

Limitations on Bondholders and Transferability of Bonds

Although the Bonds are not being issued under, and shall not be deemed to be issued under, Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), the Issuer requires that each Bondholder be (i) an “Accredited Investor,” as defined in Rule 501 of Regulation D, or (ii) a “Qualified Institutional Buyer,” as defined in Rule 144A under the Securities Act. Each initial purchaser shall deliver an Authorized Investor Letter substantially in the applicable form attached as **APPENDIX H** hereto. The Bonds may be transferred only to any Person that is an Accredited Investor or a Qualified Institutional Buyer and in a minimum principal amount of \$25,000. The Issuer may remove such limitations without notice to or consent of any Bondholder. If a Rating Agency rates the Bonds “BBB” or equivalent, or higher (without regard for gradation within a rating category and without regard for credit enhancement unless such credit enhancement extends through the final maturity date of the Bonds), the transfer restrictions described in this paragraph will be of no further force or effect. See “RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS” and “INVESTOR SUITABILITY STANDARDS” herein.

The Corporation

The Corporation was incorporated in 1999 as a Georgia nonprofit corporation and does business in North Carolina as “Searstone Retirement Community.” The Corporation owns a continuing care retirement community known as “Searstone” in Cary, North Carolina (the “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 Code. See “THE CORPORATION” and “THE COMMUNITY” in **APPENDIX A** hereto for a description of the Corporation and the Community.

The Corporation is undertaking a Phase II Expansion, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 additional skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current Clubhouse to re-purpose common areas. Through September 30, 2021, 125 (or 82%) of the 152 planned independent living units are reserved by prospective residents, accompanied by 10% Entrance Fee deposits. The Corporation started taking 10% Entrance Fee deposits in October 2020. See “PLAN OF FINANCE – Marketing and Presales” herein. See also “FINANCIAL FEASIBILITY STUDY” in **APPENDIX C** hereto.

The Bond Trustee will agree to disburse proceeds of the Series 2021 Bonds for costs of the Phase II Expansion only in accordance with the Construction Disbursement and Monitoring Agreement dated as of October 1, 2021, among the Corporation, Alcala Construction Management, Inc. and the Bond Trustee. See “PHASE II EXPANSION – Disbursement Agreement” in **APPENDIX A** hereto.

Security and Sources of Payment for the Bonds

Limited, Special Obligations. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON (AS DEFINED IN THE LOAN AGREEMENTS), THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR

ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE ISSUER HAS NO TAXING POWER.

Loan Agreements. The proceeds of the Series 2021 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of October 1, 2021 (the “2021 Loan Agreement”), between the Issuer and the Corporation. The proceeds of the Series 2022 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2022, between the Issuer and the Corporation (the “2022 Loan Agreement”). The proceeds of the Series 2023 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2023, between the Issuer and the Corporation (the “2023 Loan Agreement” and, together with the 2021 Loan Agreement and the 2022 Loan Agreement, the “Loan Agreements”). Under the Loan Agreements, the Corporation is required duly and punctually to pay amounts equal to the principal of, premium, if any, and interest on the Bonds, to make payments to maintain the Parity Debt Service Reserve Fund established under the Master Indenture at its respective required amount, to make payments to the Bond Trustee to maintain each Reserve Account of the 2021B-C Debt Service Reserve Fund (as such terms are hereinafter defined) at its required amount, and to make certain other payments. See “SECURITY FOR THE BONDS – Loan Agreements” and “– 2021B-C Debt Service Reserve Fund” herein.

Bond Indentures. The Series 2021 Bonds will be issued under and are equally and ratably secured by an Indenture of Trust dated as of October 1, 2021 (the “2021 Bond Indenture”), between the Issuer and UMB Bank, National Association, as trustee (the “Bond Trustee”). The Series 2022 Bonds will be issued under and are equally and ratably secured by an Indenture of Trust dated as of March 1, 2022, between the Issuer and the Bond Trustee (the “2022 Bond Indenture”). The Series 2023 Bonds will be issued under and are equally and ratably secured by an Indenture of Trust dated as of March 1, 2023, between the Issuer and the Bond Trustee (the “2023 Bond Indenture” and, together with the 2021 Bond Indenture and the 2022 Bond Indenture, the “Bond Indentures”). Under the Bond Indentures, the Issuer will assign and pledge to the Bond Trustee (1) the related Master Obligation (as hereinafter defined) applicable to such Bonds, (2) certain rights of the Issuer under the related Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee holds under the terms of the related Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for such Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the related Loan Agreement or the related Master Obligation. See “SECURITY FOR THE BONDS – General” herein.

Master Indenture. The Bonds and the interest payable therefrom will be limited obligations of the Issuer payable solely from and secured exclusively by the funds pledged thereto under their applicable Bond Indentures, the payments to be made by the Corporation pursuant to their applicable Loan Agreements, and Master Obligations issued by the Corporation under that certain Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as trustee (the “Master Trustee”), as supplemented and amended (the “Master Indenture”). Under the Master Indenture, the Obligated Group Members (currently consisting solely of the Corporation), are jointly and severally obligated to make payments upon any promissory note, guaranty, lease, contractual agreement to pay money, or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to the Master Indenture (“Master Obligations”). The Master Indenture is intended to provide assurance for the repayment of all Master Obligations entitled to its benefits by imposing financial and operating covenants that restrict the Corporation and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Corporation has pledged and granted to the Master Trustee (a) a security interest in all personal property (including Gross Revenues, as defined herein) owned or hereafter acquired by the Obligated Group, (b) a security interest in the funds established under the Master Indenture, and (c) a security interest in any other property from time to time subjected to the lien of the Master Indenture. See “SECURITY FOR THE BONDS – The Master Indenture” herein.

The following Master Obligations are currently outstanding under the Master Indenture:

- (i) Series 2016 Master Obligation. The Corporation’s Series 2016 Obligation (the “Series 2016 Master Obligation”) was issued under a prior master indenture but remains outstanding under the Amended and Restated Supplemental Indenture Number 2 under the current Master Indenture. The Series 2016 Master Obligation evidences the Corporation’s obligations to make loan payments on the Series 2016 Bonds, of which \$8,000,000 in principal amount is currently

outstanding. The Corporation will use the proceeds of the Series 2022 Bonds for the purpose of refunding the Series 2016 Bonds.

- (ii) Series 2017 Master Obligation. The Corporation's Series 2017 Obligation (the "Series 2017 Master Obligation") was issued under a prior master indenture but remains outstanding under the Amended and Restated Supplemental Indenture Number 3 under the current Master Indenture. The Series 2017 Master Obligation evidences the Corporation's obligations to make loan payments on the Series 2017A Bonds, of which \$71,600,000 in principal amount is currently outstanding, and the Series 2017B Bonds, of which \$3,410,000 in principal amount is currently outstanding. The Corporation will use the proceeds of the Series 2023 Bonds for the purpose of refunding the Series 2017 Bonds.
- (iii) Series 2020 Master Obligation. The Corporation's Series 2020 Obligation (the "Series 2020 Master Obligation") was issued under Supplemental Indenture Number 4, dated as of October 1, 2020, between the Corporation and the Master Trustee. The Series 2020 Master Obligation evidences the Corporation's obligations to make loan payments on the Series 2020 Bonds, of which \$6,600,000 in principal amount is currently outstanding. The Corporation will use a portion of the proceeds of the Series 2021 Bonds for the purpose of refunding the Series 2020 Bonds.

The Corporation will execute and deliver its Series 2021A Obligation (the "Series 2021A Master Obligation") and its Series 2021B-C Obligation (the "Series 2021B-C Master Obligation") (collectively, the "Series 2021 Master Obligations") under Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee ("Supplemental Indenture Number 5") to evidence its obligations to make loan payments on the Series 2021 Bonds.

The Corporation will execute and deliver its Series 2022A Obligation (the "Series 2022 Master Obligation") under Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee ("Supplemental Indenture Number 6") to evidence its obligations to make loan payments on the Series 2022 Bonds.

The Corporation will execute and deliver its Series 2023A Obligation (the "Series 2023 Master Obligation") under Supplemental Indenture Number 7, dated as of March 1, 2023, between the Corporation and the Master Trustee ("Supplemental Indenture Number 7" and, together with Supplemental Indenture Number 5 and Supplemental Indenture Number 6, the "Supplemental Indentures") to evidence its obligations to make loan payments on the Series 2023 Bonds.

The Series 2021 Master Obligations, Series 2022 Master Obligation and the Series 2023 Master Obligation will be secured on a parity basis with all other Master Obligations then outstanding, except Subordinated Indebtedness, under the Master Indenture by a lien on the trust estate pledged under the Master Indenture, which includes the Gross Revenues of the Obligated Group. It is expected that: other than Subordinated Indebtedness, (1) the Series 2021 Master Obligations, the Series 2016 Master Obligation and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2021 Bonds, (2) the Series 2022 Master Obligation, the Series 2021 Master Obligations and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2022 Bonds, and (3) the Series 2023 Master Obligation, the Series 2022 Master Obligation and the Series 2021 Master Obligations will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2023 Bonds.

When the Master Indenture was amended and restated in 2019, the Obligated Group transferred \$1,500,000 to the Master Trustee to establish a fund (the "Interest Reserve Fund") for the benefit of the holders of the Series 2016 Master Obligation and the Series 2017 Master Obligation. The Interest Reserve Fund is available to pay any deficiency in the payment of interest due on such Master Obligations subject to certain limitations in the Master Indenture. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Interest Reserve Fund" in **APPENDIX D** hereto. The amounts on deposit in the Interest Reserve Fund are included in Cash and Investments for purposes of calculating the Days Cash on Hand Covenant. **However, amounts in the Interest Reserve Fund will not be available to pay debt service on the Bonds.** If based on the valuation of the investments held in the Interest Reserve Fund, the balance of the Interest Reserve Fund is greater than \$1,500,000,

the amount in excess of \$1,500,000 shall be first transferred to the Debt Service Reserve Fund if there is any deficiency or a Bond Fund under a Related Bond Indenture as directed by an Obligated Group Representative Request. Upon the issuance of the Series 2022 Bonds and the Series 2023 Bonds, the Series 2016 Master Obligation and the Series 2017 Master Obligation will cease to be Outstanding and the amount on deposit in the Interest Reserve Fund will be disbursed to the Corporation.

Currently, only the Corporation and the Master Trustee are parties to the Master Indenture, and the Corporation is the only Obligated Group Member. Each additional Obligated Group Member is, and 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 FINANCING DOCUMENTS – MASTER INDENTURE – Admission of Obligated Group Members” and “– Withdrawal of Obligated Group Members” in **APPENDIX D** hereto for a description of the limitations on admission and release of Obligated Group Members. It is not expected that there will be additional Obligated Group Members.

Deed of Trust. The currently outstanding Master Obligations and any other Master Obligations hereafter issued under the Master Indenture are secured on a parity basis by the Fourth Amended and Restated Deed of Trust dated as of October 1, 2021 (the “Deed of Trust”) from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee. The Deed of Trust grants a first lien and security interest in the approximately 24-acre land parcel on which the Community was developed, together with an adjacent, approximately 17-acre site where the 2021 Project will be constructed (collectively, the “Mortgaged Property”). See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – DEED OF TRUST” in **APPENDIX D** hereto. The lien and security interests created by the Master Indenture and the Deed of Trust may become subject to additional Permitted Encumbrances, as defined in the Master Indenture. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER TRUST INDENTURE” in **APPENDIX D** hereto. The Deed of Trust includes an assignment to the Master Trustee of all Rents (as defined in the Deed of Trust) of, from or pertaining to the Community including the Residency Agreements and the Entrance Fees. The Deed of Trust provides that it is a future advance deed of trust that can secure up to \$350,000,000 in maximum principal amount of obligations at any one time.

Pledge of Gross Revenues. In order to secure the payment of the principal of, premium, if any, and interest on the Master Obligations, the Obligated Group Members will pledge, assign, confirm and grant a security interest unto the Master Trustee in the Gross Revenues of the Obligated Group Members as well as all moneys and securities from time to time held by the Master Trustee under the terms of the Master Indenture. Gross Revenues generally include all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicare and other third party payments), condemnation awards, Entrance Fees, and other moneys received by or on behalf of any Obligated Group Member. See “SECURITY FOR THE BONDS” herein.

Entrance Fee Fund. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, an Entrance Fee Fund is required to be established and maintained in connection with the Phase II Expansion Project (the “Entrance Fee Fund”), for the deposit of Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied (“Initial Entrance Fees”) in the Phase II Expansion Project. Subject to certain prior transfers more fully described in this Official Statement, including refunds required by Residence and Services Agreements (as defined in the Master Indenture), certain transfers to the Working Capital Fund (defined below), and certain transfers to the Phase II Operating Reserve Fund (defined below), amounts will be transferred to the Entrance Fee Redemption Account of the Bond Fund created under the Bond Indenture (the “Entrance Fee Redemption Account”) for the purpose of paying the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds, in that order. See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Entrance Fee Fund” herein. For a visual presentation of the application of the Initial Entrance Fees, see the diagram set forth under “PLAN OF FINANCE – Application of Initial Entrance Fees” herein.

Working Capital Fund. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, a working capital fund is required to be established and held for the Phase II Expansion Project (the “Working Capital Fund”). The Working Capital Fund will be funded initially in the amount of \$10,385,551* after construction of the Phase II Expansion Project with Initial Entrance Fees deposited in the Entrance Fee Fund and transferred to the Working Capital Fund. Moneys in the Working Capital Fund will be disbursed in accordance with the requirements and limitations of Supplemental Indenture Number 5 to pay (a) operating expenses of the Corporation, (b) costs of

* Preliminary, subject to change.

completing the Phase II Expansion Project, (c) the costs of needed repairs to the Facilities, (d) the costs of capital improvements to the Facilities required by law or regulation, (e) judgments against the Corporation, or (f) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Master Obligation, the Series 2017 Master Obligation, or the Series 2021 Master Obligations. If the initial deposit to the Working Capital Fund has been depleted, an additional deposit of up to \$2,500,000 of Initial Entrance Fees may be made to the Working Capital Fund after the Phase II Operating Reserve Fund equals the Phase II Operating Reserve Requirement. See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Working Capital Fund” herein.

Phase II Operating Reserve Fund. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, an operating reserve fund is required to be established and held for the Phase II Expansion Project (the “Phase II Operating Reserve Fund”). After the Working Capital Fund has been initially funded, Initial Entrance Fees deposited in the Entrance Fee Fund will be transferred to the Phase II Operating Reserve Fund until its balance equals the Phase II Operating Reserve Requirement (defined below). After all moneys have been withdrawn from the Working Capital Fund, moneys in the Phase II Operating Reserve Fund will be disbursed in accordance with the requirements and limitations of Supplemental Indenture Number 5 to pay (a) operating expenses of the Corporation, (b) the costs of needed repairs to the Facilities, (c) the costs of capital improvements to the Facilities required by law or regulation, (d) judgments against the Corporation, or (e) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Master Obligation, the Series 2017 Master Obligation, or the Series 2021 Master Obligations.

“Phase II Operating Reserve Requirement” means, after the opening of the Phase II Expansion Project, an amount equal to the marginal increase resulting from the opening of the Phase II Expansion Project in the operating reserve requirement imposed by applicable North Carolina statutes, which is fifty percent (50%) of the total operating expenses of the Facilities shown in the forecast statements required by N.C.G.S. 58-64-20(a)(12) for the 12-month period following the period covered by the most recent disclosure statement filed with the North Carolina Department of Insurance, but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner of Insurance (the “Commissioner”). If the Facilities maintain an occupancy level in excess of ninety percent (90%), the operating reserve requirement shall be twenty-five percent (25%) of such total operating expenses upon approval of the Commissioner, unless otherwise instructed by the Commissioner.

See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Phase II Operating Reserve Fund” herein.

Debt Service Reserve Funds. The Master Indenture has established a parity debt service reserve fund (referred to as “Reserve Fund No. 1” or the “Parity Debt Service Reserve Fund”) that currently secures the Series 2017 Bonds and the Series 2020 Bonds on a parity basis. After the Series 2021A Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2017 Bonds and the Series 2021A Bonds on a parity basis. After the Series 2022 Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2017 Bonds, the Series 2021A Bonds and the Series 2022 Bonds on a parity basis. After the Series 2023 Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2021A Bonds, the Series 2022 Bonds and the Series 2023 Bonds on a parity basis. The Parity Debt Service Reserve Fund is required to be funded and maintained in an amount equal to the Debt Service Reserve Fund Requirement. Upon the issuance of the Series 2021 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2016 Bonds, the Series 2017 Bonds and the Series 2021A Bonds, less the amount on deposit in the debt service reserve fund relating solely to the Series 2016 Bonds. Upon the issuance of the Series 2022 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2017 Bonds, the Series 2021A Bonds and the Series 2022 Bonds. Upon the issuance of the Series 2023 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2021A Bonds, the Series 2022 Bonds and the Series 2023 Bonds. Upon the issuance of the Series 2021A Bonds, proceeds from the Series 2021A Bonds will be deposited into the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement. Upon issuance of the Series 2022 Bonds, moneys on deposit in the debt service reserve fund relating solely to the Series 2016 Bonds or proceeds from the Series 2022 Bonds will be deposited into the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement. Upon the issuance of the Series 2023 Bonds, proceeds of the Series 2017 Bonds on deposit in the Parity Debt Service Reserve Fund will be redesignated or proceeds of the Series 2023 Bonds will be deposited in the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement.

Additionally, the 2021 Bond Indenture creates a debt service reserve fund (the “2021B-C Debt Service Reserve Fund”) consisting of three separate accounts therein (each, a “Reserve Account”) for each of the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds. Each Reserve Account will be funded to equal one year of maximum interest on the applicable series of Series 2021 Bonds to which it relates. Each Reserve Account will be available to pay debt service only on the applicable series of Series 2021 Bonds to which it relates.

See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Parity Debt Service Reserve Fund” and “– 2021B-C Debt Service Reserve Fund” herein.

Certain Covenants of the Obligated Group

Debt Service Coverage Ratio Covenant. Under the Master Indenture, the Debt Service Coverage Ratio generally 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, and a denominator of one. The Obligated Group is required to maintain, on an annual basis, a Debt Service Coverage Ratio in accordance with the following table (herein referred to as the “Debt Service Coverage Ratio Requirement”):

Period	Basis of Calculation	Requirement
Fiscal Years ending December 31, 2021 through 2027	Maximum Annual Debt Service on all Long-Term Indebtedness	1.10
Fiscal Years ending December 31, 2028 and thereafter	Maximum Annual Debt Service on all Long-Term Indebtedness	1.20

For reporting purposes, the Obligated Group Representative will calculate the Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters ending on the last day of such fiscal quarter, and provide the same to each Required Information Recipient (as defined in the Master Indenture) no more than 45 days after the completion of such fiscal quarter. The next quarter after the issuance of the Bonds for which such reporting must be made is the fiscal quarter ending September 30, 2021. If the Debt Service Coverage Ratio as of the end of any Fiscal Year, is less than the Debt Service Coverage Ratio Requirement (but not less than 1.00), the Obligated Group Representative is required to, within 30 days after delivery of the Officer’s Certificate disclosing such deficiency, engage 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 such Debt Service Coverage Ratio to at least Debt Service Coverage Ratio Requirement in the future. The Obligated Group Members shall require the Consultant employed to file its report and recommendations within 60 days after the date the Consultant is engaged. If the Obligated Group fails to achieve a Debt Service Coverage Ratio equal to the Debt Service Coverage Ratio Requirement, but achieves a Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure will not constitute a default or an Event of Default under the Master Indenture if the Obligated Group has taken all action necessary to comply with the procedures for preparing a report and adopting a plan and used the recommendations contained in such report to the extent permitted by law. Failure to achieve a Debt Service Coverage Ratio of at least 1.00: 1 for any Fiscal Year of the Corporation is an Event of Default under the Master Indenture. See “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting” herein. See also “SECURITY FOR THE BONDS – Covenants” herein.

Liquidity Covenant. In the Master Indenture, the Obligated Group covenants that as of the last day of its Fiscal Year (currently December 31) and as of the last day of the second quarter of each Fiscal Year (currently June 30) (each such date being a “Testing Date”), it will have no less than 150 Days Cash on Hand (the “Liquidity Requirement”). The Obligated Group will deliver an Officer’s Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture. For reporting purposes, the Master Indenture also requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30 and December 31). For a description of the remedies if the Obligated Group has less than 150 Days Cash on Hand on a Testing Date, see “SECURITY FOR THE BONDS – Covenants” herein and “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Liquidity Covenant” in **APPENDIX D** hereto.

Marketing Covenant. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, the Obligated Group agrees to a Marketing Covenant in connection with the Phase II Expansion Project. Beginning with the fiscal quarter ending December 31, 2021, and ending with the fiscal quarter during which Stable Occupancy (as hereinafter defined) occurs (the Marketing Covenant is not required to be calculated following Stable Occupancy), the Obligated Group will use its best efforts to maintain the percentage of Independent Living Units that are part of the Phase II Expansion Project that are Reserved at or above the applicable levels in the chart set forth in Supplemental Indenture Number 5. Such levels, and the consequences for failure to meet them, are described under “SECURITY FOR THE BONDS – Covenants – Marketing Covenant” herein.

“Stable Occupancy” is defined by Supplemental Indenture Number 5 as the last day of the first full Fiscal Year during which the aggregate average annual occupancy of the Independent Living Units that are part of the Phase II Expansion Project is equal to or greater than 85%.

Occupancy Covenant. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, the Obligated Group agrees to an Occupancy Covenant in connection with the Phase II Expansion Project. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first fiscal quarter which ends not less than 60 days following the issuance of the first certificate of occupancy for the first building containing Independent Living Units that are part of the Phase II Expansion Project, and (b) and ending with the fiscal quarter during which Stable Occupancy occurs (the Occupancy Covenant is not required to be calculated following Stable Occupancy) (each an “Occupancy Quarter”), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units that are part of the Phase II Expansion Project at or above levels in the chart set forth in Supplemental Indenture Number 5, measured as of the last day of the applicable Occupancy Quarter. Such levels, and the consequences for failure to meet them, are described under “SECURITY FOR THE BONDS – Covenants – Occupancy Covenant” herein.

Cumulative Cash Operating Loss Covenant. Pursuant to Supplemental Indenture Number 5 and the Master Indenture, the Obligated Group agrees to a Cumulative Cash Operating Loss Covenant in connection with the Phase II Expansion Project. The Obligated Group covenants that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Phase II Expansion Project (the “Initial Occupancy Date”) if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter during which Stable Occupancy occurs (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Operating Loss not greater than the amounts in the chart set forth in Supplemental Indenture Number 5. Such amounts, and the consequences for exceeding them, are described under “SECURITY FOR THE BONDS – Covenants – Cumulative Cash Operating Loss Covenant” herein.

Financial Statements

The financial statements of the Corporation as of December 31, 2020 and 2019, included in this Official Statement in **APPENDIX B**, have been audited by Dixon Hughes Goodman LLP, independent auditors, as stated in their report appearing herein. See “FINANCIAL STATEMENTS” herein.

Financial Feasibility Study

Dixon Hughes Goodman LLP prepared the Financial Feasibility Study dated September 29, 2021 (the “Financial Feasibility Study”), included as **APPENDIX C** hereto.

The Financial Feasibility Study includes management’s financial forecast for the six years ending December 31, 2026. As stated in the Financial Feasibility Study, forecasted results usually differ from actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The Financial Feasibility Study should be read in its entirety, including management’s notes and assumptions set forth therein. See “FINANCIAL FEASIBILITY STUDY” herein.

The following information on the table below has been extracted from the Financial Feasibility Study included in **APPENDIX C** hereto.

Debt Service Coverage Ratio	2021	2022	2023	2024	2025	2026
Change in net deficit	\$ (6,400)	\$ (7,582)	\$ (12,949)	\$ (13,342)	\$ (6,201)	\$ (4,942)
Deduct:						
Advance fee amortization	(1,219)	(1,262)	(1,423)	(1,862)	(2,240)	(2,343)
Unrealized gains/losses	(100)	(103)	(106)	(109)	(113)	(116)
Add:						
Depreciation	3,605	3,739	4,587	8,183	8,363	8,550
Amortization	48	48	48	2	-	-
Interest expense ^(a)	4,891	5,369	6,174	11,303	9,751	9,273
Loss on extinguishment of Existing Bonds	665	1,262	4,892	-	-	-
Funded marketing costs	1,844	1,270	684	-	-	-
Entrance fees received from resident turnover	9,010	9,474	9,925	11,847	14,723	16,912
Entrance fees refunded	(5,927)	(6,080)	(6,826)	(8,684)	(9,968)	(10,670)
Working Capital Fund release for operations	-	-	1,104	2,706	-	-
Deferred Management Fees	-	-	-	22	-	-
Income Available for Debt Service	\$ 6,417	\$ 6,135	\$ 6,110	\$ 10,066	\$ 14,315	\$ 16,664
Maximum Annual Debt Service ^(b)	\$ 5,504	\$ 5,404	\$ 5,468	\$ 5,468	\$ 5,468	\$ 11,060
Debt Service Coverage Ratio	1.17x	1.14x	1.12x	1.84x	2.62x	1.51x

Days Cash on Hand	2021	2022	2023	2024	2025	2026
Cash and cash equivalents	\$ 971	\$ 972	\$ 1,037	\$ 1,384	\$ 1,492	\$ 1,619
Investments	2,395	2,615	8,000	6,054	8,616	31,703
Statutory Operating Reserve Fund - Trustee Held	-	-	7,100	7,100	-	-
Working Capital Fund	-	-	7,692	4,986	4,986	-
Statutory Operating Reserve Fund	2,796	2,686	-	1,734	9,458	5,124
Interest Reserve	1,502	1,502	-	-	-	-
Cash on hand	\$ 7,664	\$ 7,775	\$ 23,829	\$ 21,258	\$ 24,552	\$ 38,446
Total expenses	\$ 20,360	\$ 20,980	\$ 23,423	\$ 36,328	\$ 36,272	\$ 37,526
Less:						
Depreciation	(3,605)	(3,739)	(4,587)	(8,183)	(8,363)	(8,550)
Amortization of deferred marketing costs	(48)	(48)	(48)	(2)	-	-
Deferred Management Fees	-	-	-	(22)	-	-
Total expenses less depreciation, amortization and deferred management fees	16,707	17,193	18,788	28,121	27,909	28,976
Daily operating expenses ^(c)	46	47	51	77	76	79
Days cash on hand	167	165	463	276	321	484

(a) Interest expense includes amortization of deferred financing fees and original issue discount and premium.

(b) The Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year, calculated pursuant to the provisions in the Master Indenture.

(c) Daily operating expenses are equal to total operating expenses less depreciation and amortization divided by 365 days.

Financial Reporting and Disclosure

Financial Reporting. The Master Indenture requires that the Obligated Group Representative provide to each Required Information Recipient certain financial information on a quarterly and annual basis. For a description of the financial information required to be provided, see “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting” herein.

Continuing Disclosure. Given the sources of repayment for the Bonds and the Issuer’s limited obligation in respect thereof, the Issuer has determined that its financial and operating data are not material to a decision to purchase, hold or sell the Bonds. Consequently, the Issuer will not provide any such information. The Corporation, however, has agreed to make certain financial information and operating data available to holders of the Bonds as described under “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting” herein and “FORMS OF CONTINUING DISCLOSURE CERTIFICATES” in **APPENDIX G** hereto. The Corporation is solely responsible for providing such disclosure, and the Issuer shall have no responsibility or liability to the holders of the Bonds or any other person for the making, monitoring or content of such disclosures.

See “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure” herein and “FORMS OF CONTINUING DISCLOSURE CERTIFICATES” in **APPENDIX G** hereto for further information.

Risk Factors

An investment in the Bonds involves a certain degree of risk including those risks set forth under the heading “BONDHOLDERS’ RISKS” herein. A prospective bondholder is advised to read “SECURITY FOR THE BONDS” and “BONDHOLDERS’ RISKS” for a discussion of certain risk factors which should be considered in connection with an investment in the Bonds. Careful consideration should be given to these risks and other risks described elsewhere in this Official Statement. Among other things, careful evaluation should be made of the assumptions and the rationale of the management of the Corporation described in the Financial 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 Community in a manner that maintains high occupancy levels) that may adversely affect the ability of the Corporation or any future obligor to generate sufficient revenues to pay expenses of operation, including the principal of, premium, if any, and interest on the Bonds.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued by the Issuer and accepted by Herbert J. Sims & Co., Inc., subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2021 Bonds in definitive form are expected to be delivered to the Bond Trustee on behalf of The Depository Trust Company (“DTC”) under the DTC FAST system of registration on or about November __, 2021. The Series 2022 Bonds in definitive form are expected to be delivered to the Bond Trustee under the DTC FAST system of registration on or about March 3, 2022. The Series 2023 Bonds in definitive form are expected to be delivered to the Bond Trustee under the DTC FAST system of registration on or about March 3, 2023.

The Series 2022 Bonds are to be delivered pursuant to a forward delivery on or about March 3, 2022 in order to address limitations set forth in the Code as to the issuance of refunding bonds and the timing associated therewith. The issuance of the Series 2022 Bonds is contingent upon delivery of certain certificates and legal opinions and the satisfaction of other conditions described herein. The delay in the issuance and delivery of the Series 2022 Bonds may have significant consequences to the owners thereof. The market value of the Series 2022 Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and will likely be greater or less than, the initial offering prices thereof, and such difference may be substantial. Several factors may adversely affect the market prices of the Series 2022 Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the Corporation. See “FORWARD DELIVERY OF SERIES 2022 BONDS” herein. Purchasers of Series 2022 Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as **APPENDIX J**.

The Series 2023 Bonds are to be delivered pursuant to a forward delivery on or about March 3, 2023 in order to address limitations set forth in the Code as to the issuance of refunding bonds and the timing associated therewith. The issuance of the Series 2023 Bonds is contingent upon delivery of certain certificates and legal opinions and the satisfaction of other conditions described herein. The delay in the issuance and delivery of the Series 2023 Bonds may have significant consequences to the owners thereof. The market value of the Series 2023 Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and will likely be greater or less than, the initial offering prices thereof, and such difference may be substantial. Several factors may adversely affect the market prices of the Series 2023 Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the Corporation. See “FORWARD DELIVERY OF SERIES 2023 BONDS” herein. Purchasers of Series 2023 Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as **APPENDIX K**.

Professionals Involved in Offering

Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, serves as bond counsel with respect to the Bonds. Certain matters will be passed upon for the Issuer by its counsel, von Briesen & Roper, s.c., Milwaukee, Wisconsin; for the Corporation by its counsel, Krevolin & Horst, LLC, Atlanta, Georgia, and K&L Gates LLP, Raleigh, North Carolina; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

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**OFFICIAL STATEMENT
RELATING TO:**

\$263,630,000*
PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(SEARSTONE CCRC PROJECT)
consisting of:

\$104,850,000* REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2021A	\$36,310,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM (SEARSTONE CCRC PROJECT) SERIES 2021B-1	\$32,240,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM (SEARSTONE CCRC PROJECT) SERIES 2021B-2	\$5,315,000* ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM (SEARSTONE CCRC PROJECT) SERIES 2021C (TAXABLE)	\$8,920,000* REFUNDING REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2022A (FORWARD DELIVERY)	\$75,995,000* REFUNDING REVENUE BONDS (SEARSTONE CCRC PROJECT) SERIES 2023A (FORWARD DELIVERY)
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INTRODUCTION

Purpose of this Official Statement. This Official Statement, including the cover page and Appendices hereto, is provided to furnish information with respect to the issuance, sale and delivery by the Public Finance Authority (the “Issuer”) of its \$104,850,000* Revenue Bonds (Searstone CCRC Project), Series 2021A (the “Series 2021A Bonds”); \$36,310,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-1 (the “Series 2021B-1 Bonds”); \$32,240,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-2 (the “Series 2021B-2 Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, the Series 2022 Bonds (as defined below) and the Series 2023 Bonds (defined below), the “Tax-Exempt Bonds”); and \$5,315,000* Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021C (Taxable) (the “Series 2021C Bonds” or the “Taxable Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds and the Series 2021B-2 Bonds, the “Series 2021 Bonds”), together with its \$8,920,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A (Forward Delivery) (the “Series 2022 Bonds”) and its \$75,995,000* Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A (Forward Delivery) (the “Series 2023 Bonds” and, together with the Series 2021 Bonds and the Series 2022 Bonds, the “Bonds”).

The Bonds are being issued pursuant to the provisions of the Constitution of the State of Wisconsin (the “State”) and under Section 66.301, Wisconsin Statutes, as amended (the “Act”). Additionally, the Series 2021 Bonds are being issued pursuant to an Indenture of Trust dated as of October 1, 2021 (the “2021 Bond Indenture”), between the Issuer and UMB Bank, National Association, as trustee (the “Bond Trustee”). The Series 2022 Bonds are being issued pursuant to an Indenture of Trust dated as of March 1, 2022, between the Issuer and the Bond Trustee (the “2022 Bond Indenture”). The Series 2023 Bonds are being issued pursuant to an Indenture of Trust dated as of March 1, 2023, between the Issuer and the Bond Trustee (the “2023 Bond Indenture” and, together with the 2021 Bond Indenture and the 2022 Bond Indenture, the “Bond Indentures”). The Bonds are payable from and equally and ratably secured by Master Obligations (as defined below) issued under that certain Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as trustee (the “Master Trustee”), as supplemented and amended (the “Master Indenture”). See “SECURITY FOR THE BONDS” herein.

Certain capitalized terms used herein are defined in “FORMS OF PRINCIPAL FINANCING DOCUMENTS (INCLUDING MASTER INDENTURE, SUPPLEMENTAL INDENTURES, BOND INDENTURES, LOAN AGREEMENTS, DEED OF TRUST, 2022 BOND PURCHASE AGREEMENT, AND 2023 BOND PURCHASE AGREEMENT)” in **APPENDIX D** hereto. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each

* Preliminary, subject to change.

document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to each document.

Purpose of the Bonds. The proceeds of the Series 2021 Bonds will be loaned to Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation d/b/a Searstone Retirement Community (the “Corporation”), pursuant to a Loan Agreement dated as of October 1, 2021 (the “2021 Loan Agreement”), between the Issuer and the Corporation, and used to: (a) finance capital expenditures, including (i) costs relating to the expansion of the Community (as defined under “THE CORPORATION” below), specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion”), and (ii) the modification, improvement, or enhancement of certain infrastructure serving the Community (collectively with the Phase II Expansion, the “2021 Project”); (b) refund the Issuer’s Revenue Bonds (Searstone CCRC Project) Series 2020A and Series 2020B Taxable, the proceeds of which were used to finance certain preliminary and initial costs of the 2021 Project, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund (as hereinafter defined) as additional security for the Series 2021A Master Obligation (as hereinafter defined), (e) fund the 2021B-C Debt Service Reserve Fund (as hereinafter defined), and (f) pay a portion of the costs of issuing the Series 2021 Bonds.

The proceeds of the Series 2022 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2022, between the Issuer and the Corporation (the “2022 Loan Agreement”), and used to (a) refund the Issuer’s Revenue Bonds (SearStone CCRC Project) Series 2016 (the “Series 2016 Bonds”), the proceeds of which were used to finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center, improvements to the Community’s landscaping, and the acquisition of land for the Phase II Expansion, and (b) pay a portion of the costs of issuing the Series 2022 Bonds.

The proceeds of the Series 2023 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of March 1, 2023, between the Issuer and the Corporation (the “2023 Loan Agreement” and, together with the 2021 Loan Agreement and the 2022 Loan Agreement, the “Loan Agreements”), and used to (a) refund the Issuer’s Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project), Series 2017B (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), and (b) pay a portion of the costs of issuing the Series 2023 Bonds. See “PLAN OF FINANCE” herein for additional information relating to the plan of finance.

See “PLAN OF FINANCE” herein for additional information relating to the plan of finance.

Bondholders’ Risks. Certain risks are inherent in the successful operation of facilities such as the Community on a basis such that sufficient cash will be available to pay interest on and to retire indebtedness. See “BONDHOLDERS’ RISKS” below for a discussion of certain of these risks.

THE ISSUER

Formation and Governance of the Issuer

2009 Wisconsin Act 205 (“Act 205”), passed by both houses of the Wisconsin Legislature in early 2010 and signed into law by the Governor of the State on April 21, 2010, added Section 66.0304 to the Wisconsin Statutes (the “Statute”) authorizing two or more political subdivisions to create a commission to issue bonds under the Statute. Before an agreement for the creation of such a commission could take effect, Act 205 required that such agreement be submitted to the Attorney General of the State to determine whether the agreement is in proper form and compatible with the laws of the State. The Issuer was formed upon execution of a Joint Exercise of Powers Agreement Relating to the Public Finance Authority dated as of June 30, 2010 as amended by an Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority dated September 28, 2010 (as so amended and as may be further amended from time to time, the “Agreement”) among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin, and the City

of Lancaster, Wisconsin (each a “Member” and, collectively, the “Members,” which term shall include any political subdivision designated in the future as a “Member” of the Issuer pursuant to the Agreement). The Agreement was approved by the Attorney General on September 30, 2010. The Statute also provides that only one commission may be formed thereunder.

Pursuant to the Statute, the Issuer is a unit of government and a body corporate and politic separate and distinct from, and independent of, the State and the Members. The Issuer was established by local governments, primarily for local governments, for the public purpose of providing local governments a means to efficiently, and reliably finance projects that benefit local governments, nonprofit organizations, and other eligible private borrowers in the State and throughout the country.

Powers

Under the Statute, the Issuer has all of the powers necessary or convenient to any of the purposes of Act 205, including the power to issue bonds, notes or other obligations or refunding obligations to finance or refinance a project, make loans to, lease property from or to enter into agreements with a participant or other entity in connection with financing a project. The proceeds of bonds issued by the Issuer may be used for a project in the State or any other state or territory of the United States, or outside the United States if a participating borrower is incorporated in and maintains its principal place of business in the United States or its territories. The Statute defines “project” as any capital improvement, purchase of receivables, property, assets, commodities, bonds or other revenue streams or related assets, working capital program, or liability or other insurance program, located within or outside of the State.

Governing Body

The Agreement provides for a Board of Directors (the “Board”) consisting of seven directors (each a “Director” and, collectively, the “Directors”), a majority of which are required to be public officials or current or former employees of a political subdivision located in the State. The Directors serve staggered three-year terms. Directors are selected by majority vote of the Board based upon nomination from the organization that nominated the predecessor Director. Four Directors are nominated by the Wisconsin Counties Association, and one Director is nominated from each of the National League of Cities, the National Association of Counties, and the League of Wisconsin Municipalities. Directors and alternate Directors may be removed and replaced at any time by the Board upon recommendation of the applicable organization that nominated the Director.

The Directors as of the date of this Official Statement are identified in the table below. Presently there is one vacant Board seat (representing the nominee of the National League of Cities) and one Alternate Director (nominated by the Wisconsin Counties Association). The current Directors are:

Name	Title	Position
William Kacvinsky	Chair	Former Board Chair – Bayfield County, Wisconsin
Jerome Wehrle	Vice Chair	Former Mayor – City of Lancaster, Wisconsin
Allen Buechel	Secretary	County Executive – Fond du Lac County, Wisconsin
Heidi Dombrowski	Treasurer	Finance Director – Waupaca County, Wisconsin
Del Twidt	Director	Former Board Chair – Buffalo County, Wisconsin
Mike Gillespie	Director	Former Chair – Madison County, Alabama Board of Commissioners
John West**	Alternate Director	Board Chair – Adams County, Wisconsin

** Mr. West is an alternate for Directors Buechel, Dombrowski and Twidt.

The Issuer has no employees and contracts with a full-service program management firm, GPM Municipal Advisors, LLC, to manage the day-to-day operations of the Issuer, including, but not limited to, staff and administrative support and ongoing compliance matters. All of the services provided by GPM Municipal Advisors, LLC, are subject to review and approval by the Board.

Resolution; Approval

On September 15, 2021, the Board adopted a resolution approving the issuance of the Series 2021 Bonds and the Series 2022 Bonds. On September 22, 2021, the Board adopted a resolution approving the issuance of the Series 2023 Bonds.

Special Limited Obligations

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON (AS DEFINED IN THE LOAN AGREEMENTS), THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE ISSUER HAS NO TAXING POWER.

Other Obligations

The Issuer has issued, sold and delivered in the past, and expects to sell and deliver in the future, obligations other than the Bonds, which other obligations are and will be secured by instruments separate and apart from the Bond Indentures and the Bonds. The holders of such other obligations of the Issuer will have no claim on the security for the Bonds, and the owners of the Bonds will have no claim on the security for such other obligations issued by the Issuer.

Limited Involvement of the Issuer

The Issuer has not participated in the preparation of or reviewed any appraisal for the Community or any feasibility study or other financial analysis of the 2021 Project and has not undertaken to review or approve expenditures for the 2021 Project, to supervise the construction of the 2021 Project, or to review the financial statements of the Corporation.

The Issuer has not participated in the preparation of or reviewed this Official Statement and is not responsible for any information contained herein, except for the information in this section ("THE ISSUER") and under the captions and "LITIGATION – The Issuer." as such information applies to the Issuer.

THE CORPORATION

The Corporation

The Corporation was incorporated in 1999 as a Georgia nonprofit corporation and does business in North Carolina as "Searstone Retirement Community." The Corporation owns a continuing care retirement community known as "Searstone" in Cary, North Carolina (the "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 Code. See "THE CORPORATION" and "THE COMMUNITY" in **APPENDIX A** hereto for a description of the Corporation and the Community.

The Corporation is undertaking a Phase II Expansion, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 additional skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current Clubhouse to re-purpose common areas. Through September 30, 2021, 125 (or 82%) of the 152 planned independent living units are reserved by prospective residents, accompanied by 10% Entrance Fee deposits. The Corporation started taking 10% Entrance Fee deposits in October 2020. See “PLAN OF FINANCE – Marketing and Presales” herein. See also “FINANCIAL FEASIBILITY STUDY” in **APPENDIX C** hereto.

The Community

General. The Community presently consists of 131 independent living apartments (the “Apartments” or the “Independent Living Apartments”), 38 independent living estate homes (the “Estate Homes” or the “Independent Living Homes” and together with the Apartments, the “Independent Living Units”), 14 assisted living units (the “Assisted Living Units”), and 25 skilled nursing beds (the “Skilled Nursing Beds” and together with the Assisted Living Units, the “Brittany Place Healthcare Center”) and common areas. The Community is designed for people aged 62 and older and accepted its first residents in the Fall of 2013 after completion of construction and licensure. The Community has a capacity of approximately 317 residents at full occupancy, which accounts for potential double occupants of single Individual Living Units and Assisted Living Units. The common areas include multiple dining options (formal dining, private dining, and bistro dining), a spa/wellness center with indoor pool, library/business center, arts and crafts studio, living areas, club room and other spaces as appropriate. The Community offers gardens, walking trails and an approximately 16 acre lake. The Assisted Living Units and the Skilled Nursing Beds are located in a one-story configuration in the Brittany Place Healthcare Center. As of August 1, 2021, the Community was 98% occupied.

Site. The Community is located on an approximately 24 acre land parcel owned by the Corporation. The Corporation has acquired an adjacent, approximately 17 acre site for the development of the Phase II Expansion (the “Phase II Expansion Site”). As described herein, the proceeds of the Bonds will be used to finance costs relating to the Phase II Expansion as well as capital expenditures to modify, improve or enhance certain infrastructure serving the Community.

Location. The Town of Cary, North Carolina (the “Town”) is a municipality in Wake and Chatham Counties. The Town is in the “Research Triangle” region of North Carolina and is in close proximity to Raleigh, Durham and Chapel Hill. The Town is the seventh largest municipality in North Carolina. The population of the Town was 94,536 in 2000, 135,234 in 2010 (an increase of 43.1%), and 174,721 in 2020 (an increase of 84.8%). Based on U.S. Census data compiled by Claritas, LLC, the 2021 projected median household income for the Town is \$109,537, compared with \$58,664 for North Carolina, and \$67,086 for the United States. The Town is located near Research Triangle Park, a 7,000 acre development in which more than 200 companies employing over 50,000 full-time employees are located. The University of North Carolina at Chapel Hill, with more than 29,000 students, is located approximately 20 miles from Cary in Chapel Hill. Duke University, with approximately 14,000 students, is located approximately 20 miles from Cary in Durham. North Carolina State University, with over 34,000 students, is located approximately 13 miles from Cary in Raleigh.

Area Amenities. WakeMed Cary Hospital, a 192-bed hospital, is located approximately 7 miles from the site and Rex Hospital, a 541-bed hospital which is a part of the University of North Carolina Health Care System, is located approximately 13 miles from the site. Duke University Hospital and UNC Hospitals are each approximately 20 miles from the site. A shopping center is located near the entrance to the Community with a grocery store, drug store, retail shops and restaurant. There is a mall located approximately six miles from the Community that contains approximately 140 shops and restaurants. The Community is located near three golf courses, including two private country clubs, Prestonwood County Club and MacGregor Downs Country Club, and one semi-private country club, Lochmere Golf Club, all within 11 miles of the Community.

See also “FINANCIAL FEASIBILITY STUDY” in **APPENDIX C** hereto.

Indebtedness of the Corporation

Existing Parity Indebtedness. The proceeds of the following outstanding bonds of the Issuer have been previously loaned to the Corporation:

- (i) The Series 2016 Bonds, of which \$8,000,000 in principal amount is currently outstanding;
- (ii) The Series 2017A Bonds, of which \$71,600,000 in principal amount is currently outstanding, and the Series 2017B Bonds, of which \$3,410,000 in principal amount is currently outstanding.
- (iii) Revenue Bonds (Searstone CCRC Project) Series 2020A and Series 2020B Taxable (the “Series 2020 Bonds”), of which \$6,600,000 in principal amount is currently outstanding.

The plan of finance described in this Official Statement includes the refunding of all such bonds at various times. See “PLAN OF FINANCE” below.

Master Obligations. Under the Master Indenture, the Obligated Group Members (currently consisting solely of the Corporation), are jointly and severally obligated to make payments upon any promissory note, guaranty, lease, contractual agreement to pay money, or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to the Master Indenture (“Master Obligations”). The Corporation’s obligations to make debt service payments on the Series 2016 Bonds are evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Master Obligation”), issued under a prior master indenture but remaining outstanding under the Amended and Restated Supplemental Indenture Number 2 under the current Master Indenture; the Corporation’s obligations to make debt service payments on the Series 2017 Bonds are evidenced by Corporation’s Series 2017 Obligation (the “Series 2017 Master Obligation”), issued under a prior master indenture but remaining outstanding under the Amended and Restated Supplemental Indenture Number 3 under the current Master Indenture; and the Corporation’s obligations to make debt service payments on the Series 2020 Bonds are evidenced by Corporation’s Series 2020 Obligation (the “Series 2020 Master Obligation”), issued under Supplemental Indenture Number 4, dated as of October 1, 2020, between the Corporation and the Master Trustee.

The Corporation will execute and deliver its Series 2021A Obligation (the “Series 2021A Master Obligation”) and its Series 2021B-C Obligation (the “Series 2021B-C Master Obligation”) (collectively, the “Series 2021 Master Obligations”) under Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee (“Supplemental Indenture Number 5”) to evidence its obligations to make loan payments on the Series 2021 Bonds.

The Corporation will execute and deliver its Series 2022A Obligation (the “Series 2022 Master Obligation”) under Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee (“Supplemental Indenture Number 6”) to evidence its obligations to make loan payments on the Series 2022 Bonds.

The Corporation will execute and deliver its Series 2023A Obligation (the “Series 2023 Master Obligation”) under Supplemental Indenture Number 7, dated as of March 1, 2023, between the Corporation and the Master Trustee (“Supplemental Indenture Number 7” and, together with Supplemental Indenture Number 5 and Supplemental Indenture Number 6, the “Supplemental Indentures”) to evidence its obligations to make loan payments on the Series 2023 Bonds.

The Series 2021 Master Obligations, the Series 2022 Master Obligation and the Series 2023 Master Obligation will be secured on a parity basis with all other Master Obligations then outstanding, except Subordinated Indebtedness, under the Master Indenture by a lien on the trust estate pledged under the Master Indenture, which includes the Gross Revenues of the Obligated Group. It is expected that: other than Subordinated Indebtedness, (1) the Series 2021 Master Obligations, the Series 2016 Master Obligation and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2021 Bonds, (2) the Series 2022 Master Obligation, the Series 2021 Master Obligations and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2022

Bonds, and (3) the Series 2023 Master Obligation, the Series 2022 Master Obligation and the Series 2021 Master Obligations will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2023 Bonds.

See “FINANCIAL INFORMATION” in **APPENDIX A** hereto.

Other Indebtedness. In addition to the Master Obligations described above, the Corporation is obligated on certain debt that is identified by the Master Indenture as Subordinated Indebtedness. See “PLAN OF FINANCE – Subordinated Indebtedness” herein.

Paycheck Protection Program Loan. The Corporation received a \$757,900 loan (the “Loan”) from Truist Bank under the United States Small Business Administration Paycheck Protection Loan Program created pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-36 (the “CARES Act”). In accordance with the CARES Act, the Loan was forgiven on April 16, 2021. See “FINANCIAL INFORMATION – Paycheck Protection Program Loan” in **APPENDIX A** hereto.

Management of the Community

Searstone-RLA, Inc. (the “Manager”), is organized under the laws of the State of North Carolina as a for-profit corporation. The Manager is a privately held company that was organized to manage the Community. Additional information concerning the Manager is found under “MANAGEMENT OF THE COMMUNITY – Management” in **APPENDIX A** hereto.

LSA Affiliation Agreement

The Corporation has signed an affiliation agreement (the “LSA Affiliation Agreement”) with Lutheran Services for the Aging (“LSA”), a North Carolina nonprofit corporation. LSA was founded in 1960 by the North Carolina Synod of the Evangelical Lutheran Church. North Carolina law permits property tax exemption for providers of housing and related services health care facilities in which at least 5% of the retirement community’s gross revenue in the stabilized year is provided in charitable care to its residents or to the community at large (the “Charity Care Requirement”). In the LSA Affiliation Agreement, the Corporation has agreed to comply with the Charity Care Requirement to achieve the statutory property tax exemption. For the Fiscal Year ended December 31, 2020, the Corporation paid LSA \$662,762 in payments pursuant to the LSA Affiliation Agreement. See “CERTAIN BONDHOLDERS’ RISKS – Local Tax Assessment and Sales Tax Exemption” in the front part of this Official Statement and “CERTAIN INFORMATION ABOUT SEARSTONE – THE COMMUNITY – LSA Affiliation Agreement” herein.

PLAN OF FINANCE

Application of Bond Proceeds

The Corporation will use the proceeds of the Series 2021 Bonds for the purpose of (a) financing capital expenditures, including (i) costs relating to the Phase II Expansion (as more specifically described under “PLAN OF FINANCE – Expansion Project” below), and (ii) the modification, improvement, or enhancement of certain infrastructure serving the Community; (b) refunding the Series 2020 Bonds, (c) funding capitalized interest on the Series 2021 Bonds, (d) funding a portion of the Parity Debt Service Reserve Fund as additional security for the Series 2021A Master Obligation, (e) funding the 2021B-C Debt Service Reserve Fund (as hereinafter defined), and (f) paying a portion of the costs of issuing the Series 2021 Bonds.

The Corporation will use the proceeds of the Series 2022 Bonds for the purpose of refunding the Series 2016 Bonds and paying a portion of the costs of issuing the Series 2022 Bonds.

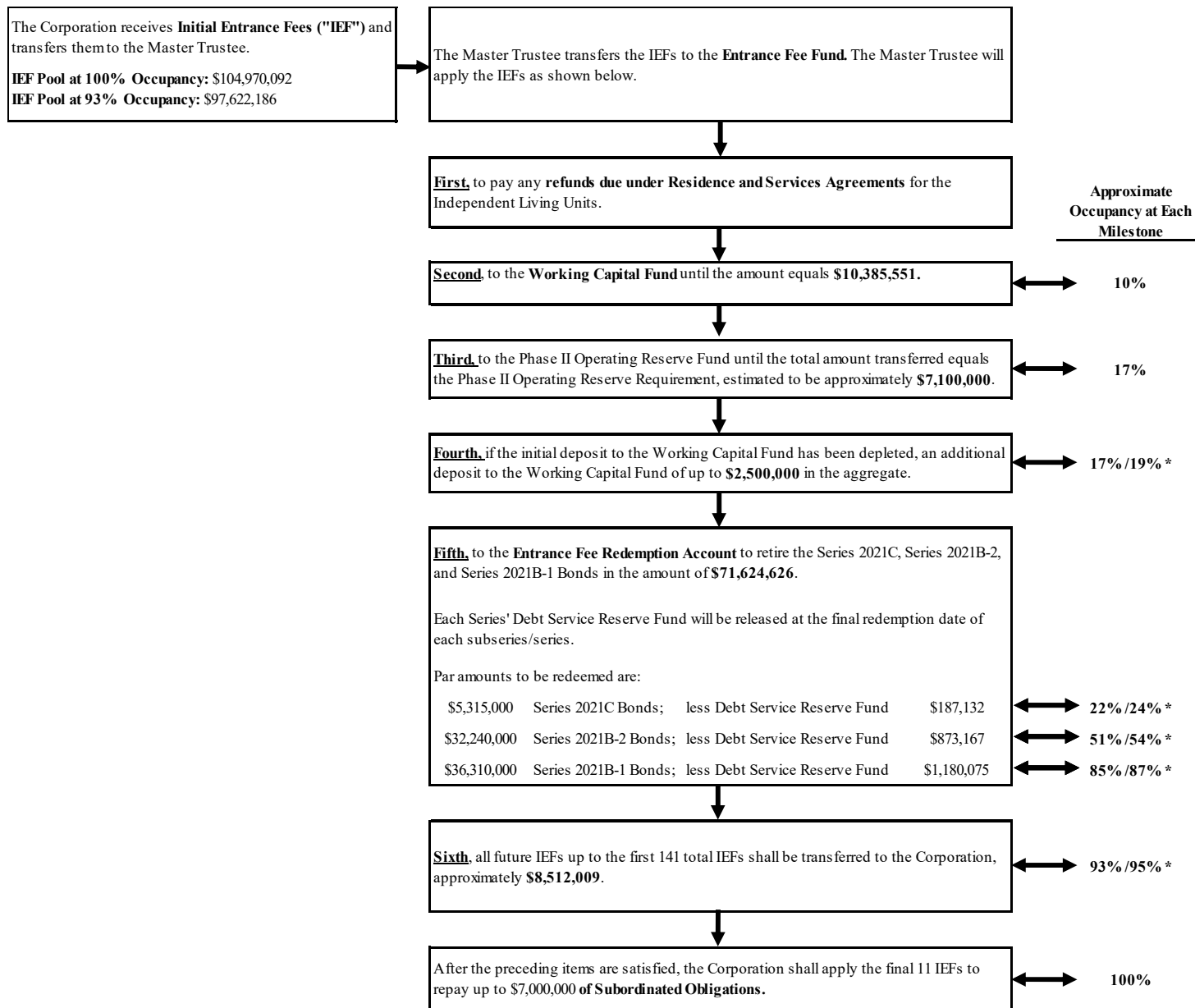
The Corporation will use the proceeds of the Series 2023 Bonds for the purpose of refunding the Series 2017 Bonds and paying a portion of the costs of issuing the Series 2023 Bonds.

Application of Initial Entrance Fees

Pursuant to Supplemental Indenture Number 5 and the Master Indenture, an Entrance Fee Fund is required to be established and maintained in connection with the Phase II Expansion Project (the “Entrance Fee Fund”), for the deposit of Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied (“Initial Entrance Fees”) in the Phase II Expansion Project. Subject to certain prior transfers more fully described in this Official Statement, including refunds required by Residence and Services Agreements, certain transfers to the Working Capital Fund (defined below), and certain transfers to the Phase II Operating Reserve Fund (defined below), amounts will be transferred to the Entrance Fee Redemption Account of the Bond Fund created under the Bond Indenture (the “Entrance Fee Redemption Account”) for the purpose of paying the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds, in that order. See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Entrance Fee Fund” herein.

For a visual presentation of the application of the Initial Entrance Fees, please see the diagram below, which shows the funds that are expected to be drawn on to fund working capital deficits, debt service, and costs of the Phase II Expansion.

[Diagram Appears on Following Page]



*Reflects percentage if Working Capital Fund uses additional \$2,500,000.

Expansion Project

A substantial portion of the proceeds of the Series 2021 Bonds are being used to pay costs relating to the Phase II Expansion of the Community on the Phase II Expansion Site, specifically, an independent living and healthcare expansion be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation. The Phase II Expansion Site is already owned by the Corporation. For more information about the planned expansion, including but not limited to, the governmental approvals required to undertake such expansion, see “PHASE II EXPANSION” in **APPENDIX A** hereto. See also “FINANCIAL FEASIBILITY STUDY” in **APPENDIX C** hereto.

Marketing and Presales

Through September 30, 2021, 125 (or 82%) of the 152 planned independent living units are reserved by prospective residents, accompanied by 10% Entrance Fee deposits. The Corporation started taking 10% Entrance Fee deposits in October 2020 after receiving a “Start Up Certificate” for the Phase II Expansion from the North Carolina Department of Insurance. See “PHASE II EXPANSION – Licensure” in **APPENDIX A** hereto.

Subordinated Indebtedness

Pre-Finance Capital. The Corporation obtained pre-finance capital from (i) MatchCapSM – Sears Farm, LLC (“MatchCap”) in the amount of \$6,800,000, and (ii) Sears Farm in the amount of \$2,390,000. The associated payment obligations for such capital are Subordinated Indebtedness under the Master Indenture, each of which accrues interest at 6% per annum, with a maximum amount of interest to be paid on the obligations equal to the amount of the original obligation (\$6,800,000 and \$2,390,000, respectively), and remains outstanding in its respective original principal amount as of the date of this Official Statement. The managing member of MatchCap is HJS Advisors, Inc., an affiliate of the Underwriter. See “CERTAIN RELATIONSHIPS” herein.

Deferred Fees. Certain fees relating to completion of the Community are recorded as deferred fees, and the associated payment obligations are also Subordinated Indebtedness under the Master Indenture. These deferred fees include (i) approximately \$993,000 owed by the Corporation to Sears Farm in connection with rezoning and construction services, which does not accrue interest; (ii) approximately \$400,000 owed by the Corporation to the Manager for management services for the initial 48 months of its service as Manager, which accrues interest at 6% per annum; (iii) approximately \$711,000 owed by the Corporation to Sears, Hackney, Keener & Williams for architectural services relating to the construction of the Community, which does not accrue interest; (iv) approximately \$500,000 owed by the Corporation to Greenbrier Development LLC for development services related to the development of the Community, which does not accrue interest; and (v) approximately \$700,000 owed by the Corporation to RLA for marketing services related to the opening of the Community, which does not accrue interest.

Restrictions on Payment of Subordinated Indebtedness. Pursuant to the Master Indenture, no payment of principal of or interest on Subordinated Indebtedness will be made unless the following conditions have been satisfied: (a) all Short-Term Indebtedness (defined as Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance) has been paid in full; (b) in the case of principal payments, if the proposed payment had occurred as of the last day of the most recent fiscal year, after the proposed payment the Days’ Cash on Hand will not be less than 300, as certified by an Officer’s Certificate; (c) in the case of interest payments, as of the last day of the fiscal quarter in which the proposed payment is to be made, after the proposed payment the Days’ Cash on Hand will not be less than 300, as certified by an Officer’s Certificate; (d) if the proposed payment of principal or interest had occurred during the most recent fiscal quarter, the Debt Service Coverage Ratio calculated as of the end of such fiscal quarter would have been not less than 1.35; and (e) the Obligated Group delivers a certification by the Obligated Group Representative that (i) no deficiency exists in any bond fund or debt service reserve fund relating to any Outstanding Master Obligations or Related Bonds, (ii) the average occupancy of all independent living units in the Facilities has been at least 90% for the preceding 12 months, and (iii) no Event of Default has occurred and is continuing under

the Master Indenture, and there exists no event that constitutes, or with the giving of notice or the passage of time or both would constitute, an Event of Default under the Master Indenture.

Initial Entrance Fees Used to Pay Subordinated Indebtedness. Notwithstanding the above-described restrictions, Supplemental Indenture Number 5 provides that after all the other transfers required to be made from the Entrance Fee Fund have been made, including the payment of all of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds, the final approximately 7% of the Initial Entrance Fees from the Phase II Expansion will be applied to pay up to \$7,000,000 of the principal of or accrued interest on the Series 2012 Subordinated Obligations so long as certain conditions are satisfied. See “SECURITY FOR THE BONDS – Funds and Accounts Held Under the Master Indenture – Entrance Fee Fund” herein. Further information about the payment of Subordinate Indebtedness from Initial Entrance Fees, and the order of paying Subordinated Indebtedness, see “FINANCIAL INFORMATION – Subordinated Indebtedness” in **APPENDIX A** hereto.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Bonds are as follows:

SOURCES OF FUNDS	Series 2021A Bonds	Series 2021B-1 Bonds	Series 2021B-2 Bonds	Series 2021C Bonds	Series 2022 Bonds	Series 2023 Bonds	Total
Principal Amount							
Original Issue [Premium][Discount]							
Prior Trustee-Held Funds							
Total							
USES OF FUNDS							
2021 Project							
Refunding of Series 2020 Bonds							
Refunding of Series 2016 Bonds							
Interest Account of Bond Fund ⁽¹⁾							
Parity Debt Service Reserve Fund							
2021B-C Debt Service Reserve Fund							
Costs of Issuance ⁽²⁾							
Total							

(1) To include capitalized interest for approximately 30 months.

(2) The bond issuance costs will approximate this amount and will include legal fees, accounting fees, Issuer fees, Underwriter’s discount, and other costs associated with the issuance of the Bonds.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the amounts that will be required for the payment of principal of the Bonds at maturity or by mandatory sinking fund redemption and for the payment of interest on the Bonds for each Fiscal Year ending December 31.

<u>FY Ending</u> <u>December 31</u>	<u>Series 2021A Bonds</u>		<u>Series 2021B-1 Bonds</u>		<u>Series 2021B-2 Bonds</u>		<u>Series 2021C Bonds</u>		<u>Series 2022 Bonds</u>		<u>Series 2023 Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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2050													
2051													
2052													
2053													
2054													
2055													
<u>2056</u>													
Total													

THE BONDS

Introduction

The Bonds provide that no recourse under or upon any obligation, covenant, or agreement contained in the related Bond Indenture, or in any Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the related Bond Indenture, will be had against any director, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any Bond.

So long as DTC acts as securities depository for the Bonds, as described in **APPENDIX F** hereto, all references herein to “Owner,” “owner,” “Holder” or “holder” of any Bonds or to “Bondowner,” “Bondholder,” “bondowner” or “bondholder” are deemed to refer to Cede & Co., as nominee for DTC, and not to Participants, Indirect Participants or Beneficial Owners (as defined herein).

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, premium, if any, and interest on the Bonds will be paid as described in **APPENDIX F** hereto. The following information is subject in its entirety to the provisions described in **APPENDIX F** hereto.

Payment of Principal and Interest

The Bonds of each series will be issued only in fully registered form without coupons in the denominations of \$25,000 and any integral multiple of \$5,000 in excess thereof; provided, however, that any Beneficial Owner of Bonds shall be allowed to purchase, transfer, or sell such Bonds of a series in multiples of \$5,000 as long as, upon completion of such purchase, transfer or sale, each Beneficial Owner owns at least \$25,000 of principal amount of such series of the Bonds. In the event the Bonds receive an Investment Grade Rating from at least one Rating Agency, the Issuer shall direct the Bond Trustee, upon a written request from the Corporation, to reduce the minimum denomination for the Bonds to \$5,000 or any integral multiple thereof. Thereafter, if the Issuer or the Bond Trustee receives written notice the effect of which is to evidence that no Rating Agency then maintains an Investment Grade Rating of the Bonds, the minimum denominations of \$25,000 and any integral multiple of \$5,000 in excess thereof shall again be in effect as to any Bonds issued upon exchange or transfer of outstanding Bonds of the same series. The Bonds will be dated their date of issuance. The Bonds will bear interest (based on a 360 day year of twelve 30 day months) at the rate set forth on the inside cover hereof, payable semiannually on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing June 1, 2022 with respect to the Series 2021 Bonds and the Series 2022 Bonds and June 1, 2023 with respect to the Series 2023 Bonds, and shall mature on the dates set forth on the inside cover page hereof.

On each Interest Payment Date, the interest on each Bond will be paid by (i) check or draft mailed to the Owner at his or her address as it appears on the bond register or at such other address as is furnished to the Bond Trustee in writing at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the “Regular Record Date”), or (ii) by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. In the event of any default in the payment of interest due with respect to the Bonds of any series on an Interest Payment Date, defaulted interest will be payable to each person in whose name such Bond is registered at the close of business on a special record date (a “Special Record Date”) established by the Bond Trustee for the payment of such defaulted interest established by notice mailed by the Bond Trustee to the Owners of such Bonds entitled to such notice not less than ten days preceding such Special Record Date.

Transfers and Exchanges; Persons Treated as Owners

The Bonds are fully transferable by the registered owner in person or by his or her duly authorized attorney on the registration books kept at the designated corporate trust office of the Bond Trustee upon surrender of the Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such

transfer a new fully registered Bond of authorized denomination or denominations for the same series, aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the related Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the Person in whose name the Bond is registered as the absolute owner thereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the related Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee will be affected by any notice to the contrary.

Redemption Provisions of the Bonds

Optional Redemption. The Bonds are subject to optional redemption as follows:

- (1) The Series 2021A Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ and thereafter	

- (2) The Series 2021B-1 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on June 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021B-1 Bonds to be redeemed, together with accrued interest to the redemption date, but only after all of the Series 2021B-2 Bonds and Series 2021C Bonds have been redeemed.
- (3) The Series 2021B-2 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on June 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021B-2 Bonds to be redeemed, together with accrued interest to the redemption date, but only after all of the Series 2021C Bonds have been redeemed. The Series 2021B-2 Bonds shall be redeemed prior to the optional redemption of any Series 2021B-1 Bonds.
- (4) The Series 2021C Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on June 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021C Bonds to be redeemed, together with accrued interest to the redemption date. The Series 2021C Bonds shall be redeemed prior to the optional redemption of any Series 2021B-2 Bonds and Series 2021B-1 Bonds.

- (5) The Series 2022 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ and thereafter	

- (6) The Series 2023 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ and thereafter	

Sinking Fund Redemption

(a) The Series 2021A Bonds are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Series 2021 Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

- (i) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(ii) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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_____† Maturity

(iii) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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_____† Maturity

(iv) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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_____† Maturity

(b) The Series 2022 Bonds are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Series 2022 Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

Year	Amount	Year	Amount
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‡ Maturity

(c) The Series 2023 Bonds are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Series 2023 Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

(i) The \$_____ Series 2023 Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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‡ Maturity

(ii) The \$_____ Series 2023 Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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‡ Maturity

(iii) The \$_____ Series 2023 Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
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‡ Maturity

Extraordinary Redemption.

The Bonds are subject to optional redemption by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in the event of (1) or (2) below, and subject to mandatory redemption without such direction in the case of (3) below, prior to their scheduled maturities, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the Bonds being redeemed with respect to the events described in (1) or (2) below and, with respect to a Determination of Taxability described in (3) below, plus the greater of (a) the unamortized amount of any original issue premium on the Bonds being redeemed and (b) three percent (3%) of the principal amount of such Bonds:

- (1) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount, and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment;
- (2) as a result of any changes in the Constitution or laws of the State of Wisconsin or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the related Loan Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the related Loan Agreement; or
- (3) with respect to the Tax-Exempt Bonds, upon a Determination of Taxability.

Purchase in Lieu of Optional Redemption. In lieu of optionally redeeming the Bonds, the Bond Trustee shall, at the direction of the Corporation, use such funds otherwise available under the related Bond Indenture for redemption of Bonds to purchase Bonds. No notice of the purchase in lieu of redemption will be required to be given to Bondholders (other than the notice of redemption otherwise required for such Bonds).

Entrance Fee Redemption. The Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds are subject to redemption on each Entrance Fee Redemption Date from funds on deposit in the Entrance Fee Redemption Account at a redemption price equal to the principal amount of Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds being redeemed or purchased, plus the interest accrued thereon through the date of redemption. Funds on deposit in the Entrance Fee Redemption Account shall be applied first to redeem the Series 2021C Bonds, second to redeem the Series 2021B-2 Bonds and third to redeem the Series 2021B-1 Bonds. Redemption of the Series 2021B-2 Bonds from funds on deposit in the Entrance Fee Redemption Account shall not begin until the Series 2021C Bonds have been paid in full, and redemption of the Series 2021B-1 Bonds from funds

on deposit in the Entrance Fee Redemption Account shall not begin until the Series 2021B-2 Bonds have been paid in full.

The principal amount of Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds to be redeemed on an Entrance Fee Redemption Date shall be equal to the largest Authorized Denomination of the Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds for which the redemption price thereof is on deposit in the Entrance Fee Redemption Account on the day following the immediately preceding Entrance Fee Transfer Date.

“Entrance Fee Redemption Date” means each March 1, June 1, September 1 and December 1 following an Entrance Fee Transfer Date.

“Entrance Fee Transfer Date” means each February 15, May 15, August 15, and November 15 prior to the termination of the Entrance Fee Fund pursuant to Supplemental Indenture Number 5.

Method of Selection; Partial Redemption of Fully Registered Bonds. In the event that less than all of the Outstanding Bonds or portions thereof of a particular series are to be redeemed as provided in the related Bond Indenture, the Corporation will select the particular maturities and interest rates of such series to be redeemed; provided, however, that in the event that less than all of the Outstanding Series 2021 Bonds or portions thereof of a series are to be redeemed, the Series 2021 Bonds to be redeemed shall be selected first, from any Outstanding Series 2021C Bonds, then from any Outstanding Series 2021B-2 Bonds, then from any Outstanding Series 2021B-1 Bonds and then from any Outstanding Series 2021A Bonds. If less than all of the Outstanding Series 2021A Bonds, Series 2022 Bonds or Series 2023 Bonds or portions thereof of a single maturity are to be redeemed, they will be selected by the Securities Depository in accordance with its procedures or by lot in such manner as the Bond Trustee may determine.

If a Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Notice of Redemption. In case of every redemption, the Bond Trustee will cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same will last appear upon the registration books, in each case not more than 60 nor less than 30 days (ten (10) days in the case of Entrance Fee Redemption of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds pursuant to the 2021 Bond Indenture as described above under “Entrance Fee Redemption”) prior to the redemption date. In addition, if the Bonds are not in full book entry with DTC, notice of redemption will be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any Owner of \$1,000,000 or more in principal amount of Bonds and (B) to at least two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption will be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any Owner of Bonds selected for redemption that has not surrendered the Bonds called for redemption, at the address as the same will last appear upon the registration books.

If at the time of mailing of notice of any optional redemption of all or a portion of the Bonds the Corporation shall not have deposited with the Bond Trustee moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Failure to give any such notice, or any defect therein, will not affect the validity of any proceedings for the redemption of such Bonds.

RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS

THE BONDS ARE INITIALLY OFFERED ONLY TO, AND MAY BE BENEFICIALLY OWNED ONLY BY, “QUALIFIED INSTITUTIONAL BUYERS,” AS DEFINED IN RULE 144A PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933 AS AMENDED (THE “SECURITIES ACT”) OR “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 PROMULGATED PURSUANT TO THE SECURITIES ACT. Each initial purchaser of the Bonds must submit an Authorized Investor Letter to the Bond Trustee. The Bonds may be transferred only to any Person that is an Accredited Investor or a Qualified Institutional Buyer and in a minimum principal amount of \$25,000. ANY PURCHASER OF A BOND AGREES TO PROVIDE NOTICE OF THE RESTRICTION ON TRANSFERS TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN SUCH BOND. In the event that and for so long as an Investment Grade Rating is assigned to the Bonds by a Rating, the Bonds shall not be required to be transferred only to a Qualified Institutional Buyer or an Accredited Investor. Bonds may be transferred only to investors meeting such standards. Pursuant to the Bond Indentures, transfers in violation of these requirements are null and void. See “CERTAIN BONDHOLDERS’ RISKS - Market for the Bonds - Restrictions on Transfer” herein.

INVESTOR SUITABILITY STANDARDS

Investment in the Bonds involves a significant degree of risk and is only suitable for investors who satisfy the requirements set forth below.

Although the Bonds are not being issued under, and shall not be deemed to be issued under Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), the Issuer requires that each Bondholder be (i) an “Accredited Investor,” as defined in Rule 501 of Regulation D, or (ii) a “Qualified Institutional Buyer,” as defined in Rule 144A under the Securities Act. Each initial purchaser of the Bonds shall provide an Authorized Investor Letter in the applicable form attached as **APPENDIX H** hereto. The Bonds may be transferred only to any Person that is an Accredited Investor or a Qualified Institutional Buyer and in a minimum principal amount of \$25,000. The Issuer may remove such limitations without notice to or consent of any Bondholder. If a Rating Agency rates the Bonds “BBB” or equivalent, or higher (without regard for gradation within a rating category and without regard for credit enhancement unless such credit enhancement extends through the final maturity date of the Bonds), the transfer restrictions described in this paragraph will be of no further force or effect. The Underwriter will deliver to the Issuer each Authorized Investor Letter required to be received from the initial purchasers of the Bonds.

Without limiting the foregoing, as a condition to its purchase of the Bonds, each purchaser of the Bonds shall be deemed to have certified to the Underwriter and the Issuer the following:

- (a) It has relied on the information contained in the Official Statement and has had an opportunity to review the risks associated with an investment in the Bonds contained therein, particularly under the section headed “CERTAIN BONDHOLDERS’ RISKS;”
- (b) It understands that at the time of the initial offering, the Bonds are not rated and no application will be made to obtain a rating for the Bonds prior to the issuance of the Bonds;
- (c) It can (i) bear the economic risk of the purchase of the Bonds and (ii) has such knowledge and experience in business and financial matters as to be capable of evaluating the risks and merit of an investment in the Bonds;
- (d) It acknowledges (i) that the Bonds are suitable only for inclusion in a diversified portfolio and (ii) that such purchaser has undertaken the responsibility for obtaining all the information that is deemed necessary and desirable to form such a decision to purchase the Bonds;
- (e) It understands that the Bonds are not currently required to be, have not been, and are not intended to be, registered under the Securities and Exchange Act of 1934 or registered or otherwise qualified under the securities laws of any state or other jurisdiction (collectively, the “Securities Laws”), and that any

sale or other transfer of the Bonds (other than estate transfer) may be transferred only to transferees that meet the qualifications set forth in paragraphs (a)-(d) above and only in accordance with such Securities Laws.

(f) It understands that:

(i) the Bonds are special limited obligations (and not general obligations) of the Issuer payable solely from the revenues, receipts, funds or moneys available and pledged for payment of the Bonds under the related Bond Indenture as further described in this Official Statement;

(ii) (A) the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Issuer, the State or any other municipality, county or political corporation, public agency or subdivision thereof, and that the Issuer has no taxing power, (B) the Bonds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State or any other municipality, county or political corporation, public agency or subdivision thereof; and (C) the liability of the Issuer with respect to the Bonds is limited to the Trust Estate as set forth in the related Bond Indenture; and

(iii) the Issuer has no taxing power.

(g) It acknowledges that:

(i) It has relied on this Official Statement to evaluate the factors associated with its investment decision to purchase the Bonds;

(ii) It has been provided with full and complete access to and has been furnished with all the information requested regarding the Corporation, the Community, and the Bonds as was deemed by such purchaser necessary in connection with the purchase of the Bonds;

(iii) It has been advised that the Issuer neither has nor has assumed responsibility for any information in this Official Statement, except for the information under the subheadings entitled "THE ISSUER," and under the subheading "LITIGATION – The Issuer" and the Issuer makes no representations as to the contents of this Official Statement other than those referenced above.

(h) It has waived any requirement of due diligence and investigation or inquiry on the part of any of the Issuer or the Bond Trustee.

(i) It is not purchasing the Bonds for not more than one account for investment and not with a view to distribution, transfer or resale thereof.

The Underwriter will deliver to the Issuer a certificate to the effect that to the best of Underwriter's knowledge, after due inquiry, the initial purchasers of the Bonds satisfy the investor suitability standards set forth above.

SECURITY FOR THE BONDS

General

Series 2021 Bonds. The Series 2021 Bonds are being issued under and are equally and ratably secured under the 2021 Bond Indenture, pursuant to which the Issuer has assigned and pledged to the Bond Trustee (1) the Series 2021 Master Obligations, (2) certain rights of the Issuer under the 2021 Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee

holds under the terms of the 2021 Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for the Series 2021 Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the 2021 Loan Agreement or the Series 2021 Master Obligations. The proceeds of the Series 2021 Bonds will be lent to the Corporation, and the obligation of the Corporation to repay that loan will be evidenced by the Series 2021 Master Obligations of the Corporation issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Forward Delivery – Series 2022 Bonds. The Series 2022 Bonds will be issued under and will be equally and ratably secured under the 2022 Bond Indenture, pursuant to which the Issuer will assign and pledge to the Bond Trustee (1) the Series 2022 Master Obligation, (2) certain rights of the Issuer under the 2022 Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee will hold under the terms of the 2022 Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for the Series 2022 Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the 2022 Loan Agreement or the Series 2022 Master Obligation. The proceeds of the Series 2022 Bonds will be lent to the Corporation, and the obligation of the Corporation to repay that loan will be evidenced by the Series 2022 Master Obligation of the Corporation issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Forward Delivery – Series 2023 Bonds. The Series 2023 Bonds will be issued under and will be equally and ratably secured under the 2023 Bond Indenture, pursuant to which the Issuer will assign and pledge to the Bond Trustee (1) the Series 2023 Master Obligation, (2) certain rights of the Issuer under the 2023 Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee will hold under the terms of the 2023 Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for the Series 2023 Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the 2023 Loan Agreement or the Series 2023 Master Obligation. The proceeds of the Series 2023 Bonds will be lent to the Corporation, and the obligation of the Corporation to repay that loan will be evidenced by the Series 2023 Master Obligation of the Corporation issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Limited Obligations

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE ISSUER HAS NO TAXING POWER.

Loan Agreements

Under the Loan Agreements, the Corporation is required duly and punctually to pay the principal of, premium, if any, and interest on the related Bonds, to make payments to the Master Trustee to maintain the Parity Debt Service Reserve Fund at its required amount, to make payments to the Bond Trustee to maintain each Reserve Account of the 2021B-C Debt Service Reserve Fund at its required amount, and to make certain other payments. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – LOAN AGREEMENTS” in **APPENDIX D** hereto.

2021B-C Debt Service Reserve Fund

General. The 2021 Bond Indenture establishes the 2021B-C Debt Service Reserve Fund, consisting of three separate accounts therein (each, a “Reserve Account”) for each of the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds (collectively referred to as the “2021B-C Bonds”). Each Reserve Account will be funded to equal one year of maximum interest on the applicable series of Series 2021B-C Bonds to which it relates.

Payments into the 2021B-C Debt Service Reserve Fund. In addition to the deposits required by the 2021 Bond Indenture, there will be deposited into the 2021B-C Debt Service Reserve Fund any cash and Permitted Investments delivered by the Corporation to the Bond Trustee pursuant to the 2021 Loan Agreement. In addition, there will be deposited into the 2021B-C Debt Service Reserve Fund all money required to be transferred thereto pursuant to the 2021 Bond Indenture, and all other money received by the Bond Trustee when accompanied by directions that such money is to be paid into the 2021B-C Debt Service Reserve Fund. If there is no deficiency in the 2021B-C Debt Service Reserve Fund, all interest and other income received on investments of the 2021B-C Debt Service Reserve Fund will be transferred to the Interest Account of the Bond Fund, at least semiannually.

Use of Moneys in the 2021B-C Debt Service Reserve Fund. Except as otherwise provided in the 2021 Bond Indenture, moneys in the 2021B-C Debt Service Reserve Fund shall be used solely for the payment of the principal of and interest on the Series 2021B-C Bonds in the event moneys in the Bond Fund, the Working Capital Fund and the Phase II Operating Reserve Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise. The monies in the Series 2021B-1 Account shall only be available to pay debt service on the Series 2021B-1 Bonds, the monies in the Series 2021B-2 Account shall only be available to pay debt service on the Series 2021B-2 Bonds and the monies in the Series 2021C Account shall only be available to pay debt service on the Series 2021C Bonds.

On June 1 and December 1 in each year, any earnings on the Debt Service Reserve Fund Obligations on deposit in the 2021B-C Debt Service Reserve Fund that are in excess of the 2021B-C Debt Service Reserve Fund Requirement shall be transferred into the Interest Account of the Bond Fund.

On the final maturity date of any series of 2021B-C Bonds, any Debt Service Reserve Fund Obligations in the 2021B-C Debt Service Reserve Fund in excess of the 2021B-C Debt Service Reserve Fund Requirement after giving effect to such maturity shall be used to pay the principal of and interest on such series of 2021B-C Bonds on such final maturity date.

If at any time moneys in the 2021B-C Debt Service Reserve Fund are sufficient to pay the principal or redemption price of all 2021B-C Bonds then Outstanding, the Bond Trustee shall use the moneys on deposit in the 2021B-C Debt Service Reserve Fund to pay such principal or redemption price of the 2021B-C Bonds.

Upon the occurrence of an Event of Default of which the Bond Trustee is deemed to have notice hereunder and the election by the Bond Trustee of the remedy to accelerate the Series 2021 Bonds, any Debt Service Reserve Fund Obligations in the 2021B-C Debt Service Reserve Fund shall, subject to the provisions of the 2021 Bond Indenture, be transferred by the Bond Trustee to the Principal Account and applied in accordance with the provisions of the 2021 Bond Indenture. Notwithstanding the foregoing, upon an Event of Default, the Bond Trustee shall apply moneys held in the 2021B-C Debt Service Reserve Fund as directed in writing by the holders of a majority in principal amount of the Series 2021B-C Bonds.

Replenishment of the 2021B-C Debt Service Reserve Fund. The 2021 Loan Agreement provides that in the event any moneys in the 2021B-C Debt Service Reserve Fund are transferred to the Bond Trustee for deposit to the Bond Fund, except if such moneys are transferred due to the redemption of 2021B-C Bonds, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the 2021B-C Debt Service Reserve Fund Requirement, such amount to be deposited in no more than 6 equal consecutive monthly installments, the first installment to be made in the month following such transfer or receipt of written notice from the Bond Trustee of a deficiency. In the event the value of the Debt Service Reserve Fund Obligations (as determined pursuant to the statement of the Bond Trustee furnished in accordance with the 2021 Bond Indenture) on deposit in the 2021B-C Debt Service Reserve Fund is less than the 2021B-C Debt Service Reserve Fund

Requirement, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the 2021B-C Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Bond Trustee of a deficiency.

Master Indenture

General. The Master Indenture is intended to provide assurance for the repayment of obligations entitled to its benefits by imposing financial and operating covenants that restrict the Corporation and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations, except Subordinated Indebtedness, entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Corporation has pledged and granted to the Master Trustee (a) a security interest in all Personal Property (including Equipment Accounts, General Intangibles, Contract Documents, Gross Revenues and Hedge Receipts as those terms are defined in the Master Indenture) owned or hereafter acquired by the Obligated Group with certain limited exceptions, (b) a security interest in the funds established under the Master Indenture, and (c) a security interest in any other property from time to time subjected to the lien of the Master Indenture. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE” in **APPENDIX D** hereto.

“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, (b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and (c) 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) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by reason of applicable law cannot be granted, assigned or pledged hereunder or which by reason of applicable law would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, 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, assigned and pledged by the Obligated Group Members, (ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (iii) 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 as payments required under the Master Indenture, (iv) 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 areas of the Facilities to be occupied or leased to such residents or tenants, (v) all deposits made pursuant to Residency Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued and (vi) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses. **The Third Amended and Restated Master Trust Indenture revises the definition of “Gross Revenues” to specifically include Federal Subsidy Payments and to specifically exclude items which cannot be granted, assigned or pledged under the Master Trust Indenture without the consent of other parties whose consent is not secured.**

The security interest in the Gross Revenues and the other Personal Property described above and the proceeds thereof is subject to Permitted Encumbrances that exist prior to or that may be created subsequent to the time such security interest attaches and is subject to the right of the Obligated Group Members to transfer such

Personal Property free of such security interest under certain circumstances. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE” in **APPENDIX D** hereto.

The Series 2021 Master Obligations, the Series 2022 Master Obligation and the Series 2023 Master Obligation will constitute joint and several obligations of the Corporation and each future Obligated Group Member, if any, and will be secured on a parity basis, except Subordinated Indebtedness, with the other outstanding Master Obligations and any other Master Obligations hereafter issued under the Master Indenture, by a lien on the trust estate pledged thereunder, which includes the Mortgaged Property, as described below, and the Gross Revenues of the Obligated Group.

It is expected that: other than Subordinated Indebtedness, (1) the Series 2021 Master Obligations, the Series 2016 Master Obligation and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2021 Bonds, (2) the Series 2022 Master Obligation, the Series 2021 Master Obligations and the Series 2017 Master Obligation will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2022 Bonds, and (3) the Series 2023 Master Obligation, the Series 2022 Master Obligation and the Series 2021 Master Obligations will be the only Master Obligations outstanding under the Master Indenture upon the issuance of the Series 2023 Bonds.

When the Master Indenture was amended and restated in 2019, the Obligated Group transferred \$1,500,000 to the Master Trustee to establish a fund (the “Interest Reserve Fund”) for the benefit of the holders of the Series 2016 Master Obligation and the Series 2017 Master Obligation. The Interest Reserve Fund is available to pay any deficiency in the payment of interest due on such Master Obligations subject to certain limitations in the Master Indenture. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Interest Reserve Fund” in **APPENDIX D** hereto. The amounts on deposit in the Interest Reserve Fund are included in Cash and Investments for purposes of calculating the Days Cash on Hand Covenant. **However, amounts in the Interest Reserve Fund will not be available to pay debt service on the Bonds.** Upon the issuance of the Series 2022 Bonds and the Series 2023 Bonds, the Series 2016 Master Obligation and the Series 2017 Master Obligation will cease to be Outstanding and the amount on deposit in the Interest Reserve Fund will be disbursed to the Corporation.

In connection with the issuance of the Series 2020 Bonds, the Master Indenture was amended to clarify that if, based on the valuation of the investments held in the Interest Reserve Fund, the balance of the Interest Reserve Fund is greater than \$1,500,000, the amount in excess of \$1,500,000 shall first be transferred to the Parity Debt Service Reserve Fund if there is any deficiency or a Bond Fund under a Related Bond Indenture as directed by an Obligated Group Representative Request.

Currently, only the Corporation and the Master Trustee are parties to the Master Indenture, and the Corporation is the only Obligated Group Member. Each additional Obligated Group Member is, and 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 FINANCING DOCUMENTS – MASTER INDENTURE - Admission of Obligated Group Members” and “- Withdrawal of Obligated Group Members” in **APPENDIX D** hereto for a description of the limitations on admission and release of Obligated Group Members.

Mortgaged Property. The Deed of Trust conveys to a deed of trust trustee, for the benefit of the Master Trustee as deed of trust beneficiary, security title in certain real property of the Obligated Group consisting of the approximately 24-acre tract of real property on which the Community was developed, together with the Phase II Expansion Site (collectively, the “Mortgaged Property”), including, without limitation, all buildings, structures, fixtures, additions, enlargements, extensions, improvements, modifications or repairs now or hereafter located on the Mortgaged Property for the benefit of all of the Master Obligations issued under the Master Indenture. Simultaneously with the delivery of the Bonds and as required by the Master Indenture, the Corporation will deliver to the Master Trustee either a new loan policy of title insurance or an endorsement to the existing loan policy of title insurance insuring that the Deed of Trust executed and recorded in connection with the issuance of the Bonds constitutes a first priority lien of record, subject to Permitted Encumbrances, on the Mortgaged Property described therein. The total stated amount of such title policy will be equal to at least the Outstanding principal amount of the Master Obligations. Recovery under a title insurance policy issued to a mortgagee (here, the Master Trustee) is dependent upon a number of factors including, but not limited to, the amount of title insurance purchased relative to

the value of the Mortgaged Property, the nature of the title defect, the terms of the title insurance policy, the presence of a payment default under the Obligations and the other terms and conditions of the insurance policy. No assurance can be given that any particular set of circumstances will give rise to a recovery under the title insurance policy.

Assignment of Contracts

The Corporation is executing an Assignment of Contracts dated as of October 1, 2021 (the “Assignment of Contracts”) for the benefit of the Master Trustee. Under the Assignment of Contracts, the Corporation has collaterally assigned to the Master Trustee its rights under its agreements with the Architect, the Construction Manager, and the Development Consultant (each as described in **APPENDIX A**) and any and all other documents, instruments and agreements, including any payment and performance bonds, whether now or hereafter existing, relating to the design, construction, renovation, installation and equipping of the Phase II Expansion. Each of the other parties to such agreements has consented to the assignment and agreed that upon an Event of Default under the Master Indenture, such agreements may be enforced by the Master Trustee.

Bondholders Deemed to Consent to Amendments to Master Indenture

By their ownership interests in the Bonds, the holders thereof will be deemed to have consented, and will authorize the Underwriter to sign a written consent, to:

(1) The amendments of the Master Indenture as set forth in the proposed form of Supplemental Indenture Number 5 attached in APPENDIX D hereto, which

- **amend the incurrence of indebtedness test, and related provisions, for Long-Term Indebtedness to provide that debt service on the Series 2021 Master Obligations (which are being incurred to finance the Phase II Expansion) will not be included in the historical or projected Debt Service Coverage Ratio for such purpose until the first full Fiscal Year following the first full Fiscal Year in which Stable Occupancy is achieved. “Stable Occupancy” is defined as the last day of the first full Fiscal Year during which the aggregate average annual occupancy of the Phase II Expansion Project’s Independent Living Units (rather than *all* Phase II Expansion Project units, which would also include assisted living and skilled nursing) is equal to or greater than 85%;**
- **amend the provisions regarding calculation of the Debt Service Coverage Ratio to be consistent with the incurrence of indebtedness tests, including as described above with respect to the Series 2021 Master Obligations and the Phase II Expansion and making the exception to the general rule be 85% average annual occupancy of all additional units in the Capital Addition rather than 90%;**
- **amend the definition of “Revenues” to state that for purposes of calculations under the Master Indenture, any withdrawal from the Working Capital Fund created under Supplemental Indenture Number 5 will be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation;**
- **amend the definition of “Cash and Investments” to include any amounts on deposit in any Operating Reserve Fund or Working Capital Fund;**
- **amend the definition of “Debt Service Reserve Requirement” to provide that if a Debt Service Reserve Fund secures more than one Master Obligation that secures tax-exempt Related Bonds, the Debt Service Reserve Fund Requirement shall equal the least of (A) one hundred percent (100%) of Maximum Annual Debt Service on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund, (B) one hundred twenty-five percent (125%) of average annual Debt Service Requirements on**

the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund and (C) ten percent (10%) of the stated original principal amount of the Related Bonds secured or Indebtedness evidenced by the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund or, if the Related Bonds have original issue discount or premium that exceeds two percent (2%) of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriters' compensation, ten percent (10%) of the initial offering prices to the public of the Related Bonds; provided, however, while the Series 2016 Master Obligation is Outstanding, the Debt Service Reserve Fund Requirement with respect to Reserve Fund No. 1 will be computed taking into account the Series 2016 Master Obligation less the amount required to be on deposit in the debt service reserve fund that secures only the Series 2016 Bonds;

- amend the provisions regarding Debt Service Reserve Fund to provide that any Supplement may direct that a Debt Service Reserve Fund may be established or maintained as security for a Master Obligation issued thereunder or may be established and maintained as security for more than one obligation, such as the Parity Debt Service Reserve Fund;
 - amend the provision regarding Subordinated Indebtedness to permit a payment on the Series 2012 Subordinated Obligations from a portion of the Initial Entrance Fees in accordance with the provisions in Supplemental Indenture Number 5 as summarized herein;
 - amend the provisions regarding calculation of the Debt Service Coverage Ratio to allow principal of Long-Term Indebtedness incurred to finance a Capital Addition that is forecasted to be repaid from Entrance Fees from such Capital Addition to be excluded when computing the Debt Service Coverage Ratio; and
 - amend the provisions regarding the incurrence of Additional Indebtedness to provide that while any Series 2016 Bonds or Series 2017 Bonds remain Outstanding, the Obligated Group may not incur any Additional Indebtedness without the prior written consent of (1) the Majority Holders and (2) the holders of a majority of the outstanding principal amount of the Series 2016 Bonds and the Series 2017 Bonds; and
- (2) The Third Amended and Restated Master Trust Indenture in the proposed form attached in APPENDIX I hereto (the "Third Amended and Restated Master Trust Indenture"), which will be applicable to holders of all bonds secured by Master Obligations effective on such date as all of the Series 2016 Bonds and the Series 2017 Bonds have been defeased or refunded. The Third Amended and Restated Master Trust Indenture includes all the amendments set forth in Supplemental Indenture Number 5, together with amendments to, among others, (a) the definitions of "Accounts," "Debt Service Reserve Fund Requirement," "Indebtedness," "Maximum Annual Debt Service," "Security Deed," and others, (b) the addition of definitions, including "Finance Lease," "Majority Holders," and others, (c) modify the provisions relating to Subordinate Indebtedness, Debt Service Reserve Fund, Damage or Destruction, Permitted Additional Indebtedness, (d) revise the provision relating to Incorporation of Certain Covenants, (e) delete the requirement that the Community be managed by a third-party management company and (f) adjust certain provisions relating to Remedies of the Master Trustee and Holders of Master Obligations in Event of Default.

See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5" in APPENDIX D hereto. See "FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE" attached in APPENDIX I hereto. Not all differences between the Master Indenture and the Third Amended and Restated Master Trust Indenture are explained herein, so purchasers should read APPENDIX I in its entirety.

Funds and Accounts Held Under the Master Indenture

Entrance Fee Fund.

(a) The Master Trustee will establish and maintain a separate entrance fee fund for the deposit of Initial Entrance Fees for the Phase II Expansion Project (the “Entrance Fee Fund”). All moneys received by the Master Trustee and held in the Entrance Fee Fund will be trust funds under the terms of the Supplemental Indenture Number 5 and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture. Moneys in the Entrance Fee Fund will not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys will be held in trust and applied in accordance with the provisions of the Supplemental Indenture Number 5 and the Master Indenture.

The Members of the Obligated Group agree that all Initial Entrance Fees for Independent Living Units that are part of the Phase II Expansion Project received by the Members of the Obligated Group will be transferred to the Master Trustee within five Business Days of the receipt thereof for deposit into the Entrance Fee Fund; provided, however, that no such Initial Entrance Fee or any portion thereof will be subject to transfer by the Obligated Group Representative so long as such Initial Entrance Fee or portion thereof must be held in escrow pursuant to Article 64 of Title 58 of the North Carolina General Statutes, as amended; provided, further, that no such Initial Entrance Fee is required to be transferred to the Master Trustee for deposit into the Entrance Fee Fund until 100% of such Initial Entrance Fee has been received by the Members of the Obligated Group. The investment of the moneys held in the Entrance Fee Fund will be subject to yield restriction as provided in the Tax Agreement (as defined in the Loan Agreements) until the Obligated Group Representative delivers an opinion of nationally recognized municipal bond counsel (which counsel and opinion are in a form acceptable to the Master Trustee) to the Master Trustee to the effect that no such yield restriction is required to maintain any exemption from federal income taxation to which the interest on any Related Bonds would otherwise be entitled.

(b) The Master Trustee will apply all Initial Entrance Fees in the Entrance Fee Fund within two Business Days of receipt, as follows:

First: To the Corporation to pay refunds required by Residence and Services Agreements for which the Corporation has not received a corresponding replacement Entrance Fee with respect to the applicable Independent Living Unit in the Phase II Expansion Project. Such disbursements will be made upon receipt by the Master Trustee of an Officer’s Certificate of the Corporation certifying that the Corporation is required by a Residence and Services Agreement to pay such refunds within the next 30 days, and the amount of such refunds.

Second: After the transfers described in paragraph First above, to the Working Capital Fund (defined below) until the principal amount transferred to the Working Capital Fund equals \$10,385,551.*

Third: After the transfers described in paragraphs First and Second above, to the Phase II Operating Reserve Fund (defined below) until the total amount transferred from the Entrance Fee Fund to the Phase II Operating Reserve Fund equals the Phase II Operating Reserve Requirement (defined below) or to replenish the Working Capital Fund if any funds have been transferred to the Phase II Operating Reserve Fund from the Working Capital Fund in order to satisfy the Phase II Operating Reserve Requirement.

Fourth: After the transfers described in paragraphs First, Second and Third above have been made, if the initial deposit to the Working Capital Fund has been depleted after any replenishment described in Third above, to make an additional deposit to the Working Capital Fund up to \$2,500,000 in the aggregate.

Fifth: After the transfers described in paragraphs First, Second, Third and Fourth above have been made, while any Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds, remain Outstanding, on each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an “Entrance Fee Transfer Date”), the amount

* Preliminary, subject to change.

remaining will be transferred to the Entrance Fee Redemption Account established under Section 3.02 of the 2021 Bond Indenture.

Sixth: After the transfers described in paragraphs First, Second, Third, Fourth and Fifth above have been made, the amount remaining of the first 141 Initial Entrance Fees deposited into the Entrance Fee Fund (i.e., the first approximately 93% of the Initial Entrance Fees) shall be transferred to the Corporation.

Seventh: After the transfers described in paragraphs First, Second, Third, Fourth, Fifth and Sixth above have been made, the amount remaining of the final 11 Initial Entrance Fees deposited into the Entrance Fee Fund (i.e., the final approximately 7% of the Initial Entrance Fees) shall be applied to pay up to \$7,000,000 (minus the amount deposited pursuant to paragraph Fourth above to replenish the Working Capital Fund) of the principal of or accrued interest on the Series 2012 Subordinated Obligations in accordance with the provisions of Supplement Number 1 to the Master Indenture if the following conditions are satisfied:

(i) as of the last day of the most recent fiscal quarter for which financial statements have been delivered under the Master Indenture, the Obligated Group had at least 200 Days Cash on Hand; and

(ii) the Debt Service Coverage Ratio of the Obligated Group for the period of four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter for which financial statements have been delivered under the Master Indenture was not less than 1.30.

(c) Upon the occurrence of an Event of Default under Section 7.01(a), (c), or (d) of the Master Indenture or if the Cumulative Cash Operating Loss exceeds the permitted levels set forth in the Supplemental Indenture Number 5 (as described below under “—Cumulative Cash Operating Loss Covenant”) by more than 35% for four consecutive fiscal quarters, the Master Trustee will discontinue making transfers from the Entrance Fee Fund pursuant to (b) above.

(d) After Stable Occupancy has occurred, none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and the transfers described in subsection (b) above have been made, and if no Event of Default has occurred and is continuing, the Members of the Obligated Group will no longer be required to transfer any additional Initial Entrance Fees for Independent Living Units that are part of the Phase II Expansion Project they receive to the Master Trustee for deposit into the Entrance Fee Fund. Upon the delivery by the Obligated Group to the Master Trustee of an Officer’s Certificate confirming satisfaction of these conditions, any amounts on deposit in the Entrance Fee Fund will be remitted to the Corporation and the Entrance Fee Fund will be closed.

Working Capital Fund. The Master Trustee will establish and maintain a separate working capital fund for the Phase II Expansion Project (the “Working Capital Fund”). All moneys held in the Working Capital Fund will be trust funds under the terms of the Supplemental Indenture Number 5 and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture (except as otherwise provided) and will not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys will be held in trust and applied in accordance with the provisions of the Supplemental Indenture Number 5 and the Master Indenture. The Working Capital Fund will be funded initially in the amount of 10,385,551* after construction of the Phase II Expansion Project with Initial Entrance Fees deposited in the Entrance Fee Fund and transferred to the Working Capital Fund.

Moneys in the Working Capital Fund will be disbursed by the Master Trustee to or for the account of the Corporation within seven days of receipt by the Master Trustee of an Officer’s Certificate of the Corporation to the effect that (i) such moneys will be used to pay (a) operating expenses of the Corporation, (b) costs of completing the Phase II Expansion Project, (c) the costs of needed repairs to the Facilities, (d) the costs of capital improvements to

* Preliminary, subject to change.

the Facilities required by law or regulation, (e) judgments against the Corporation, or (f) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Obligation (as defined in the Master Indenture), the Series 2017 Master Obligation (as defined in the Master Indenture), or the Series 2021 Master Obligations, and (ii) such moneys are anticipated to be expended in the calendar month following the month in which such Officer's Certificate is submitted, together with an itemized budget describing the uses for which such moneys are needed and the amount needed for each such use. The Master Trustee will deposit to the Phase II Operating Reserve Fund from the Working Capital Fund such amounts as are necessary for the balance of the Phase II Operating Reserve Fund to equal the Phase II Operating Reserve Requirement. In addition, the Master Trustee will transfer moneys from the Working Capital Fund to the Bond Fund created under the 2021 Bond Indenture upon request of the Bond Trustee pursuant to Section 3.05 of the 2021 Bond Indenture. If the initial deposit to the Working Capital Fund has been depleted, an additional deposit of up to \$2,500,000 of Initial Entrance Fees may be made to the Working Capital Fund.

If none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and if no Event of Default has occurred and is continuing, any amounts on deposit in the Working Capital Fund will be remitted to the Corporation and the Working Capital Fund will be closed.

Phase II Operating Reserve Fund. The Master Trustee will establish and maintain a separate operating reserve fund for the Phase II Expansion Project (the "Phase II Operating Reserve Fund"). All moneys held in the Phase II Operating Reserve Fund will be trust funds under the terms of the Supplemental Indenture Number 5 and the Master Indenture for the benefit of all Obligations Outstanding under the Master Indenture (except as otherwise provided) and will not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys will be held in trust and applied in accordance with the provisions of the Supplemental Indenture Number 5 and the Master Indenture. After the Working Capital Fund has been initially funded, Initial Entrance Fees deposited in the Entrance Fee Fund will be transferred to the Phase II Operating Reserve Fund until its balance equals the Phase II Operating Reserve Requirement.

"Phase II Operating Reserve Requirement" means, after the opening of the Phase II Expansion Project, an amount equal to the marginal increase resulting from the opening of the Phase II Expansion Project in the operating reserve requirement imposed by applicable North Carolina statutes, which is fifty percent (50%) of the total operating expenses of the Facilities shown in the forecast statements required by N.C.G.S. 58-64-20(a)(12) for the 12-month period following the period covered by the most recent disclosure statement filed with the North Carolina Department of Insurance (the "DOI"), but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner of Insurance (the "Commissioner"). If the Facilities maintain an occupancy level in excess of ninety percent (90%), the operating reserve requirement shall be twenty-five percent (25%) of such total operating expenses upon approval of the Commissioner, unless otherwise instructed by the Commissioner.

After all moneys have been withdrawn from the Working Capital Fund, moneys in the Phase II Operating Reserve Fund will be disbursed by the Master Trustee to or for the account of the Corporation within seven days of receipt by the Master Trustee of an Officer's Certificate of the Corporation to the effect that (i) such moneys will be used to pay (a) operating expenses of the Corporation, (b) the costs of needed repairs to the Facilities, (c) the costs of capital improvements to the Facilities required by law or regulation, (d) judgments against the Corporation, or (e) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Obligation (as defined in the Master Indenture), the Series 2017 Master Obligation (as defined in the Master Indenture), or the Series 2021 Master Obligations, (ii) such moneys are anticipated to be expended in the calendar month following the month in which such Officer's Certificate is submitted, together with an itemized budget describing the uses for which such moneys are needed and the amount needed for each such use, (iii) no moneys are on deposit in the Working Capital Fund, and (iv) evidence of the approval of such disbursement by the Commissioner. The Master Trustee will transfer moneys from the Phase II Operating Reserve Fund to the Bond Fund created under the 2021 Bond Indenture upon request of the Bond Trustee pursuant to Section 3.05 of the 2021 Bond Indenture.

The Master Trustee will deposit to the Phase II Operating Reserve Fund from the Working Capital Fund such amounts as are necessary for the balance of the Phase II Operating Reserve Fund to equal the Phase II Operating Reserve Requirement. If the balance of the Phase II Operating Reserve Fund exceeds the Phase II Operating Reserve Requirement, the Master Trustee will transfer such excess amount to the Corporation.

Notwithstanding any provision to the contrary, amounts deposited into the Phase II Operating Reserve Fund will only be released upon the submittal of a detailed request from the Obligated Group Representative to the DOI and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 Business Days prior to the date of withdrawal of such funds from the Phase II Operating Reserve Fund.

If none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and if no Event of Default has occurred and is continuing, any amounts on deposit in the Phase II Operating Reserve Fund will be remitted to the Corporation and the Phase II Operating Reserve Fund will be closed.

Parity Debt Service Reserve Fund.

General. The Master Indenture creates and establishes with the Master Trustee a Debt Service Reserve Fund (“Reserve Fund No. 1” or the “Parity Debt Service Reserve Fund”) that currently secures the Series 2017 Bonds and the Series 2020 Bonds on a parity basis. After the Series 2021A Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2017 Bonds and the Series 2021A Bonds on a parity basis. After the Series 2022 Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2017 Bonds, the Series 2021A Bonds and the Series 2022 Bonds on a parity basis. After the Series 2023 Bonds are issued, the Parity Debt Service Reserve Fund will secure the Series 2021A Bonds, the Series 2022 Bonds and the Series 2023 Bonds on a parity basis. The Master Trustee may establish one or more Debt Service Reserve Funds as security for one or more Master Obligations issued under the Master Indenture. Each Debt Service Reserve Fund, including Reserve Fund No. 1, may serve as security for more than one Master Obligation under the Master Indenture, in which case all Master Obligations secured under such Debt Service Reserve Fund will be secured equally and ratably by amounts on deposit in such Debt Service Reserve Fund. Each Debt Service Reserve Fund, including Reserve Fund No. 1, will be required to be funded in an amount equal to the Debt Service Reserve Fund Requirement. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Debt Service Reserve Fund” in **APPENDIX D** hereto.

Payments Into Reserve Fund No. 1. The Members of the Obligated Group shall transfer, or cause to be transferred, money in an amount equal to the Debt Service Reserve Fund Requirement to the Master Trustee for deposit into Reserve Fund No. 1. If a future Supplemental Master Indenture provides that the Master Obligation issued thereunder shall be secured by Reserve Fund No. 1, the Members of the Obligated Group shall transfer, or cause to be transferred, to the Master Trustee for deposit into Reserve Fund No. 1 money in an amount equal to the difference between the Debt Service Reserve Fund Requirement (after giving effect to the issuance of such Master Obligation) and the amount then on deposit in Reserve Fund No. 1.

Use of Moneys in Reserve Fund No. 1. If the Holder of a Master Obligation secured by Reserve Fund No. 1 delivers a written notice to the Master Trustee to the effect that the amount of principal or interest paid by the Obligated Group or the amount otherwise available to the Holder of such Master Obligation is less than the amount of principal or interest then due on such Master Obligation and specifying the amount of such deficiency of principal, interest or both, the Master Trustee, without further direction, shall immediately withdraw moneys from Reserve Fund No. 1 in the amount of such deficiency and transfer such moneys to such Holder. Because Reserve Fund No. 1 secures more than one Master Obligation, the Master Trustee will withdraw the amount of such deficiency from each account within Reserve Fund No. 1 on a pro rata basis based on the amounts then on deposit in each such account. Amounts on deposit in Reserve Fund No. 1 shall not be applied to pay principal of or interest on any Master Obligation other than the Master Obligation or Master Obligations secured thereby. The Master Trustee shall promptly provide written notice to the Members of the Obligated Group of any such withdrawal from Reserve Fund No. 1.

Beginning on the fifth Business Day of the month following a month in which money is withdrawn from Reserve Fund No. 1, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Master Trustee for deposit into Reserve Fund No. 1, one-sixth (1/6) of the amount or amounts so withdrawn until the amount then on deposit in Reserve Fund No. 1 is equal to the Debt Service Reserve Fund Requirement. If an additional withdrawal is made from Reserve Fund No. 1 prior to the restoration of the initial withdrawal, such additional withdrawal shall be restored by the Members of the Obligated Group in equal monthly installments over the remainder of the restoration period for the initial withdrawal. Because Reserve Fund No. 1 secures more than

one Master Obligation, the Master Trustee shall deposit each amount paid to restore Reserve Fund No. 1 into each account within Reserve Fund No. 1 on a pro rata basis based on the amounts withdrawn from each such account.

The Master Trustee shall value the Permitted Investments in Reserve Fund No. 1 three (3) business days prior to each June 30 and December 31 and at such times as shall be required in order for the Obligated Group Members to comply with federal income tax law applicable to any Related Bonds. In addition, the Permitted Investments shall be valued by the Master Trustee at any time requested by the Obligated Group Representative on reasonable notice to the Master Trustee (which period of notice may be waived or reduced by the Master Trustee); provided, however, that the Master Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein. If upon valuation of Reserve Fund No. 1, the balance in such fund, including accrued interim to the date of valuation, is less than the Debt Service Reserve Fund Requirement, the Master Trustee shall compute the amount by which the Debt Service Reserve Fund Requirement exceeds such balance and shall immediately give the Members of the Obligated Group notice of such deficiency and the amount necessary to cure the same.

Beginning on the fifth Business Day preceding the end of each month (and on the fifth Business Day of each month thereafter) following the month in which a valuation made in accordance with the Master Indenture in which the amount on deposit in Reserve Fund No. 1 is less than the Debt Service Reserve Fund Requirement due to a loss resulting from a decline in the value of Permitted Investments held for the credit of Reserve Fund No. 1, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Master Trustee for deposit into Reserve Fund No. 1 within thirty (30) days the amount by which the Debt Service Reserve Fund Requirement exceeds such balance until the amount on deposit to the credit of Reserve Fund No. 1 is equal to the Debt Service Reserve Fund Requirement.

Upon the issuance of the Series 2021 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2016 Bonds, the Series 2017 Bonds and the Series 2021A Bonds, less the amount on deposit in the debt service reserve fund relating solely to the Series 2016 Bonds. Upon the issuance of the Series 2022 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2017 Bonds, the Series 2021A Bonds and the Series 2022 Bonds. Upon the issuance of the Series 2023 Bonds, the “Debt Service Reserve Fund Requirement” will mean the Maximum Annual Debt Service for the Series 2021A Bonds, the Series 2022 Bonds and the Series 2023 Bonds. Upon the issuance of the Series 2021A Bonds, proceeds from the Series 2021A Bonds will be deposited into the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement. Upon issuance of the Series 2022 Bonds, moneys on deposit in the debt service reserve fund relating solely to the Series 2016 Bonds or proceeds from the Series 2022 Bonds will be deposited into the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement. Upon the issuance of the Series 2023 Bonds, proceeds of the Series 2017 Bonds on deposit in the Parity Debt Service Reserve Fund will be redesignated or proceeds of the Series 2023 Bonds will be deposited in the Parity Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement.

Covenants Under Master Indenture

The following covenants described under this heading are as provided in the existing Master Indenture, as amended by Supplemental Indenture Number 5, except as otherwise noted with regard to the Third Amended and Restated Master Trust Indenture.

Debt Service Coverage Ratio Covenant. Pursuant to the Master Indenture, each Obligated Group Member has covenanted to operate all of its Facilities (as defined in the Master Indenture) 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 (as defined in the Master Indenture) 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 under the Master Indenture to the extent permitted by law. Each Member has agreed that it will, from time to time as often as necessary and to the extent permitted by law, revise its rates, further fees and charges in such manner as may be necessary or proper to comply with the provisions of the Master Indenture.

Under the Master Indenture, the Members covenant and agree that the Obligated Group Representative will calculate the Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters (or for the Fiscal Year, as applicable) ending on the last day of such fiscal quarter. The calculations of the Debt Service Coverage Ratio for the first three fiscal quarters are for informational purposes only.

Under the Master Indenture, the Members agree that if the Debt Service Coverage Ratio as of the end of any Fiscal Year is less than the Debt Service Coverage Ratio Requirement (as defined below) (but not less than 1.00), the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, engage a Consultant in accordance with the requirements of the Master Indenture 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 such Debt Service Coverage Ratio to at least the Debt Service Coverage Ratio Requirement in the future. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within sixty (60) days after the date such Consultant is engaged. *[Each Obligated Group Member shall follow the recommendations of the Consultant.]* **(The italicized sentence is replaced in the Third Amended and Restated Master Trust Indenture with "Each Obligated Group Member shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member. This Section shall not be construed to prohibit any Member from serving indigent residents 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 residents 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.").**

If the Obligated Group fails to achieve a Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement, but achieves a Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure shall not constitute a Default or an Event of Default under the Master Trust Indenture so long as the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and complies with the recommendations contained in such report to the *[extent permitted by law]*. **(The italicized phrase is replaced in the Third Amended and Restated Master Trust Indenture with "extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member.").** The foregoing provisions notwithstanding, it shall constitute an Event of Default if the Debt Service Coverage Ratio for any Fiscal Year is less than 1.00.

Notwithstanding any other provisions of the Master Trust Indenture, in any case where Long-Term Indebtedness has been incurred to acquire or construct Capital Additions, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year commencing after substantially all of such Capital Additions are placed in service (except that with respect to Capital Additions consisting, in whole or in part, of independent or assisted living units or health care beds, the Debt Service Requirements with respect thereto shall not be taken into account until the earlier to occur of (i) the first full Fiscal Year next succeeding the Fiscal Year in which the occupancy of such independent or assisted living units or health care beds reaches 90% **(this is changed to average occupancy of 85% by Supplemental Indenture Number 5)** or (ii) the first full Fiscal Year following the Fiscal Year in which occurs that date which is 18 months following the date upon which substantially all of such additional units are placed in service; in either case, the Obligated Group agrees that it will notify the Master Trustee of such event within ten (10) days following its occurrence). **The following proviso is added to this provision by Supplemental Indenture Number 5: "provided, however, with respect to the Series 2021 Master Obligations, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Master Obligations."** See "SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture" and "FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES –Supplemental Indenture Number 5" in **APPENDIX D** hereto.

The immediately preceding paragraph (which is Section 4.16(d) of the Master Indenture) is revised in the Third Amended and Restated Master Trust Indenture and summarized as follows:

Notwithstanding any other provisions of the Master Trust Indenture, in the event that any Obligated Group Member incurs any Additional Indebtedness for any Capital Addition, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the Capital Addition financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with the Master Indenture until the first full Fiscal Year following the later of (i) the estimated completion of the Capital Addition 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 Capital Addition set forth in the Consultant's report described in paragraph (A) below, or (ii) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, assisted living, personal care or skilled nursing facilities, the first full Fiscal Year in which Stable Occupancy is achieved, 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 fifth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fifth 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 (which shall be a part of any report provided to incur indebtedness under the Master Indenture) to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (1) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness, or (2) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, personal care or skilled nursing facilities, the first full Fiscal Year following the year in which Stable Occupancy is achieved, which Stable Occupancy shall be projected to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, will be not less than the Debt Service Coverage Ratio Requirement after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided further, 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; provided further, however, that in the event the Master Indenture does not require a Consultant 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 paragraph (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 the Master Indenture until the first Fiscal Year in which the exclusion from the calculation of the Debt Service Coverage Ratio no longer applies, calculating the Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year and certifying that such Debt Service Coverage Ratio is not less than 1.00, such Debt Service Coverage Ratio to be computed without taking into account (1) 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 (2) the Revenues to be derived from the Capital Addition to be financed from the proceeds of such Additional Indebtedness;

provided, however, with respect to the Series 2021 Obligations, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplemental Indenture Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

"Stable Occupancy" is defined by Supplemental Indenture Number 5 as the last day of the first full Fiscal Year during which the aggregate average annual occupancy of the Independent Living Units that are part of the Phase II Expansion Project is equal to or greater than 85%.

"Stable Occupancy" is defined in the Third Amended and Restated Master Trust Indenture, in connection with the incurrence of Additional Indebtedness for any Capital Addition, as an average occupancy of 85% during the period in question.

“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, and a denominator of one; provided, however, that in making such calculation, (a) the principal amount of any Indebtedness included in such calculation shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Trust Indenture, (b) to the extent a Hedge 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 Hedge Agreement shall be used in the calculation, (c) any Subordinated Indebtedness shall be excluded except when making such calculation for the purpose of determining whether payments on Subordinated Indebtedness can be made pursuant to the Master Indenture and (d) such calculation shall be based on unaudited financial statements (and adjusted retroactively for any material changes reflected in audited financial statements for the fourth quarter of a Fiscal Year) for the four consecutive quarters ending for the period of time tested.

“Debt Service Coverage Ratio Requirement” means the following:

Period	Basis of Calculation	Requirement
Fiscal Years ending December 31, 2021 through 2027	Maximum Annual Debt Service on all Long-Term Indebtedness	1.10
Fiscal Years ending December 31, 2028 and thereafter	Maximum Annual Debt Service on all Long-Term Indebtedness	1.20

“Income Available for Debt Service” means for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

“Maximum Annual Debt Service” means the highest annual Debt Service Requirements for the current or any succeeding Fiscal Year; provided, however, the interest component of the Maximum Annual Debt Service Requirement for the Series 2016 Bonds and the Series 2017 Bonds is calculated based on their Initial Interest Rates, as defined in the Master Indenture. **Such provision regarding Initial Interest Rates is removed in the Third Amended and Restated Master Trust Indenture.**

“Revenues” means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Entrance Fees (other than Initial Entrance Fees) 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 GAAP; but excluding in either case (1) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments, (2) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (3) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (4) any revenues recognized from deferred revenues related to Entrance Fees, (5) insurance (other than business interruption) and condemnation proceeds, and (6) proceeds of any borrowing; 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. **The following is added to this definition by Supplemental Indenture Number 5: “For purposes of calculations under the Master Trust Indenture, any withdrawal from the Working Capital Fund created under Supplemental Indenture Number 5 shall be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.”** See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” and “FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5” in **APPENDIX D** hereto.

In the Third Amended and Restated Master Trust Indenture, “Revenues” means for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees (other than Initial Entrance Fees to the extent such Initial Entrance Fees have been designated to be used to repay Short Term Indebtedness related to the Facilities in receipt of such Initial Entrance Fees) received minus (A) Entrance Fees amortized during such period and (B) Entrance Fees refunded to residents, plus (vi) payments received from any Affiliate of an Obligated Group Member, plus (vii) to the extent not included in (vi), development fee payments received by the Obligated Group from Affiliates or unrelated third parties, plus (viii) any Federal Subsidy Payments; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in 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 investments or Hedge Agreements, (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, and (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 under this Master Trust Indenture, 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 calculations under the Master Indenture, any withdrawal from the Working Capital Fund created under Supplement Number 5 shall be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale 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) non-cash expenses or losses, including but not limited to any expenses related to derivative instruments, other than periodic payments thereon, (g) any expenses paid with proceeds of any Related Bonds, (h) any marketing expenses paid in connection with a Capital Addition or proposed Capital Addition that are being funded with proceeds of any Long-Term Indebtedness, and (i) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses 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.

See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Debt Service Coverage Ratio Covenant” in **APPENDIX D** hereto and “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE – Debt Service Coverage Ratio Covenant” in **APPENDIX I** hereto.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30 and December 31). As of the last day of its Fiscal Year (currently December 31) and as of the last day of the second quarter of each Fiscal Year (currently June 30) (each such date being a “Testing Date”), the Obligated Group shall have no less than 150 Days Cash on Hand (the “Liquidity Requirement”). The Obligated Group will deliver an Officer’s Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture.

“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 (i) Expenses (including

interest on Indebtedness (based on Initial Interest Rates in the case of the Series 2016 Bonds, the Series 2017 Bonds, and the Master Obligations securing the Series 2016 Bonds and the Series 2017 Bonds) but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the twelve-month period ending as of each June 30 and December 31 as shown on the most recent unaudited quarterly financial statements delivered pursuant to the Master Indenture by (ii) 365.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to restore the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not restored 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 required to be delivered by the preceding paragraph, the Obligated Group Representative is required, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, to engage a Consultant in accordance with the requirements of the Master Indenture 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 Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant's report and recommendations, if any, is required to be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member shall *[follow the recommendations of the Consultant.]* **(The italicized sentence is replaced in the Third Amended and Restated Master Trust Indenture with "follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member). The Obligated Group shall not be required to cause the Consultant's report referred to in this paragraph to be prepared if a Consultant's report referred to above was prepared not more than two Testing Dates prior to the current Testing Date or a Consultant's report as to non-compliance with the Debt Service Coverage Ratio is currently being undertaken or has been made within the preceding 12 months and upon the Consultant's review of its analysis for the current Consultant's report or the preceding report, the Consultant determines that the recommendations set forth in such report would not be supplemented or modified due to the failure of the Obligated Group to meet the Liquidity Requirement, and the Obligated Group Representative provides to the Master Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying such Consultant's report have not changed in any material way which would affect the ability of the Obligated Group to adopt the recommendations set forth in such report.").**

Failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date will not constitute a Default or an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report (the phrase "to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member)" **is added here in the Third Amended and Restated Master Trust indenture**). The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE - Liquidity Covenant" in **APPENDIX D** hereto and "FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE – Liquidity Covenant" in **APPENDIX I** hereto.

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Marketing Covenant. Beginning with the fiscal quarter ending December 31, 2021, and ending with the fiscal quarter during which Stable Occupancy occurs (the Marketing Covenant is not required to be calculated following Stable Occupancy), the Obligated Group will use its best efforts to maintain the percentage of Independent Living Units that are part of the Phase II Expansion Project that are Reserved (the “Percentage of Reserved Independent Living Units”) at or above the applicable levels set forth below, which determinations will be measured as of the last day of the applicable quarter (the “Marketing Requirements”). The applicable Marketing Requirements will be as follows:

Quarter Ending	Percentage of Reserved Independent Living Units	
	# Units	Percent
December 31, 2021	100	65.8%
March 31, 2022	101	66.4%
June 30, 2022	104	68.4%
September 30, 2022	105	69.1%
December 31, 2022	107	70.4%
March 31, 2023	108	71.1%
June 30, 2023	111	73.0%
September 30, 2023	114	75.0%
December 31, 2023	116	76.3%
March 31, 2024	118	77.6%
June 30, 2024	119	78.3%
September 30, 2024	121	79.6%
December 31, 2024	124	81.6%
March 31, 2025	127	83.6%
June 30, 2025	130	85.5%
September 30, 2025	131	86.2%
December 31, 2025	133	87.5%
March 31, 2026	134	88.2%
and thereafter		

If the Percentage of Reserved Independent Living Units for any fiscal quarter is less than the applicable Marketing Requirement set forth above for that fiscal quarter, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report prepared by or on behalf of the Obligated Group (a “Management Marketing Report”) that includes the following information: (a) the Percentage of Reserved Independent Living Units, including the number of reservations and cancellations of Phase II Expansion Project Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Obligate Group, of the number of reservations of Phase II Expansion Project Independent Living Units expected in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Marketing Report is being prepared; and (c) a description of the sales and marketing plan of the Obligated Group.

If the Percentage of Reserved Independent Living Units is less than the applicable Marketing Requirement set forth above for two successive fiscal quarters, the Obligated Group Representative, at the Obligated Group’s expense, will retain a Consultant in accordance with the requirements of the Master Indenture to make recommendations as to improvements or changes in the operations and management of the Obligated Group. The Obligated Group will follow the recommendation of the Consultant in accordance with the Master Indenture. The Obligated Group will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters (i.e, if the Obligated Group is required to obtain a Consultant’s Report because of the failure to achieve the Marketing Requirement for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant’s Report because of a failure to achieve the Marketing Requirement for the next succeeding fiscal quarter).

Failure of the Obligated Group to achieve the Marketing Requirements for any fiscal quarter will not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures set forth above for preparing a Management Marketing Report and set forth in the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with the Master Indenture.

Occupancy Covenant. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first fiscal quarter which ends not less than 60 days following the issuance of the first certificate of occupancy for the first building containing Independent Living Units that are part of the Phase II Expansion Project, and (b) and ending with the fiscal quarter during which Stable Occupancy occurs (the Occupancy Covenant is not required to be calculated following Stable Occupancy) (each an “Occupancy Quarter”), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units that are part of the Phase II Expansion Project (the “Percentage of Units Occupied”) at or above the requirements set forth below, which levels will be measured as of the last day of the applicable Occupancy Quarter (the “Occupancy Requirements”):

Occupancy Quarter	Occupancy Requirements	
	# Units	Percent
1	16	10.5%
2	38	25.0%
3	61	40.1%
4	76	50.0%
5	92	60.5%
6	107	70.4%
7	114	75.0%
8	119	78.3%
9	122	80.3%
10	125	82.2%
11	130	85.5%
12	131	86.2%
13	133	87.5%
14 and thereafter	134	88.2%

If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, (a) an occupancy report (a “Management Occupancy Report”) that includes the following information: (i) the Percentage of Units Occupied and (ii) the number of reservations and cancellations of Phase II Expansion Project Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Obligated Group, of the number of Phase II Expansion Project Independent Living Units expected to be Occupied in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Occupancy Report is being prepared; and (c) a description of the sales and marketing plan of the Obligated Group.

If the Percentage of Units Occupied is less than the Occupancy Requirement set forth above for two consecutive fiscal quarters, the Obligated Group Representative, at the Obligated Group’s expense, will retain a Consultant in accordance with the requirements of the Master Indenture to make recommendations as to improvements or changes in the operations and management of the Obligated Group. The Obligated Group will follow the recommendation of the Consultant in accordance with the Master Indenture. The Obligated Group will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters. (i.e., if the Obligated Group is required to obtain a Consultant’s Report because of the failure to achieve the Occupancy Requirement for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant’s Report because of a failure to achieve the Occupancy Requirement for the next succeeding fiscal quarter).

Failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report and set forth in the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with the Master Indenture.

Cumulative Cash Operating Loss Covenant. The Obligated Group covenants that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Phase II Expansion Project (the “Initial Occupancy Date”) if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter during which Stable Occupancy occurs (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Operating Loss not greater than the amount set forth below (for informational purposes only, the forecasted Cumulative Cash Operating Loss amounts are shown in a separate column):

<u>Fiscal Quarter</u>	<u>Cumulative Cash Operating Loss</u>	<u>Forecasted Cumulative Cash Operating Loss</u> ⁽¹⁾
1	(\$3,500,000)	(\$1,059,000)
2	(4,100,000)	(2,698,000)
3	(6,900,000)	(4,535,000)
4	(8,900,000)	(5,834,000)
5	(10,700,000)	(7,013,000)
6	(11,400,000)	(7,501,000)
7	(11,800,000)	(7,757,000)
8	(12,000,000)	(7,883,000)
9	(12,000,000)	(7,900,000)
10 and thereafter	(12,800,000)	(8,366,000)

⁽¹⁾ Forecast prepared by management of the Corporation. Forecasted operating losses do not include any turnover Entrance Fee receipts from Phase II Expansion units.

If, as of the end of any testing quarter, the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such testing quarter, a report that includes the following information: (a) a forecast, prepared by management of the Obligated Group, of the Cumulative Cash Operating Loss for the three fiscal quarters immediately succeeding the end of such testing quarter; and (b) a description of the plan of the Obligated Group to comply with the Cumulative Cash Operating Loss Covenant in future testing quarters.

If the Cumulative Cash Operating Loss of the Obligated Group is greater than the amounts required above for two consecutive testing quarters, the Obligated Group Representative, at the Obligated Group’s expense, will retain a Consultant in accordance with the requirements of the Master Indenture to make recommendations as to improvements or changes in the operations and management of the Obligated Group. The Obligated Group will follow the recommendation of the Consultant in accordance with the Master Indenture. The Obligated Group will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters (i.e., if the Obligated Group is required to obtain a Consultant’s Report because the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant’s Report because the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above for the next succeeding fiscal quarter).

If the Obligated Group incurs a Cumulative Cash Operating Loss level greater than permitted, it will not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to

comply with the procedures set forth above for preparing a management report and set forth in the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with the Master Indenture. If the Cumulative Cash Operating Loss exceeds the permitted levels by more than 35% for four consecutive fiscal quarters, such noncompliance may become an Event of Default at the written direction of Majority Holders.

“Cumulative Cash Operating Loss” means, commencing with the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Phase II Expansion Project, 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 from the Phase II Expansion Project), 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 part of the Phase II Expansion Project paid from moneys other than 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 Series 2021 Bonds or interest earnings thereon.

Approval of Consultants Under the Existing Master Indenture. Whenever a Consultant is required to be engaged under the Master Indenture the Consultant (including the specific individuals) shall be acceptable to the Majority Holders and the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and the beneficial owners of the Related Bonds will be given independent access to the Consultant. Within twenty one (21) days after the requirement to retain a Consultant arises, the Obligated Group must retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Obligated Group, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Obligated Group. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Master Trustee and to each Required Information Recipient as soon as practicable but in no event later than forty-five (45) days after the date on which a Consultant is required to be retained. Within seven (7) months after the submission of its initial report, the Consultant shall submit to the Master Trustee and each such Required Information Recipient a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the board of directors of the Obligated Group. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE - Approval of Consultants” in **APPENDIX D** hereto.

Approval of Consultants Under the Third Amended and Restated Master Trust Indenture. If at any time the Obligated Group Representative is required to engage a Consultant under the Third Amended and Restated Master Trust Indenture, such Consultant shall be engaged in the manner set forth below:

(a) Upon engaging a Consultant as required under the provisions of the Master Trust Indenture, the Obligated Group Representative will provide written notice to the Master Trustee of such engagement. The Master Trustee shall, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, send a copy of such notice to the Holders of all Master Obligations Outstanding under the Master Trust Indenture. Such notice prepared by the Obligated Group Representative shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged, including a description of the covenant(s) of the Master Trust Indenture that require the Consultant to be engaged, and that the engagement of the Consultant is authorized by the Master Trust Indenture, and (iii) state that the Holder of the Master Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Holder submits an objection to the engaged Consultant in writing to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group Representative of the number of any objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Master Obligations have been deemed to have consented to the engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Master Obligations Outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this section.

(b) When the Master Trustee notifies the Holders of Master Obligations of such engagement, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subsection (a) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of a Master Obligation securing such Related Bonds, consent or object to the engagement of the Consultant 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 engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this section.

(c) The 15-day notice period described 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 a Master Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this section.

(d) Whenever a Consultant is required to be engaged under the Master Indenture, the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and the beneficial owners of the Related Bonds will be given independent access to the Consultant. Within twenty one (21) days after a Consultant is required to be retained, the Obligated Group will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Obligated Group, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Obligated Group. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Master Trustee and to each Required Information Recipient as soon as practicable but in no event later than forty five (45) days after the date on which a Consultant is required to be retained. Within seven (7) months after the submission of its initial report, the Consultant shall submit to the Master Trustee and each such Required Information Recipient a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the board of directors of the Obligated Group. See “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE – Approval of Consultants” in **APPENDIX I** hereto.

Actuarial Study. At least once every three Fiscal Years (beginning with the Fiscal Year ended December 31, 2020), the Obligated Group 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 Representative) and permitted by law]*. **(The italicized phrase is replaced in the Third Amended and Restated Master Trust Indenture with “extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member”).**

Needs Assessment Analysis. Commencing on the fifth (5th) year anniversary of the date of the Series 2017 Bonds (i.e., December 27, 2022) and every five (5) years thereafter, the Obligated Group Representative shall order or cause to be conducted and delivered a Needs Assessment Analysis from a consulting engineer that, in the objective and reasonable opinion of the Obligated Group Representative, is experienced in conducting needs assessment analyses for senior living facilities such as the Facilities. The Needs Assessment Analysis shall be filed with the Master Trustee. **If the Third Amended and Restated Master Trust Indenture takes effect prior to December 27, 2022, however, the first Needs Assessment Analysis will be conducted five years after the date the Series 2022 Bonds are issued.**

Disposition of Property Under the Existing Master Indenture. The Master Indenture affords the Obligated Group the option to sell, lease or otherwise dispose of their property so long as they comply with certain requirements or meet certain financial tests. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

(a) Payments for goods and services in arm's length transactions, investments in marketable securities and transfers of Property replaced in the ordinary course of business, provided that in the case of any transfer of Property (other than payment for goods and services or investments) in the ordinary course of business, at least 15 days prior written notice shall be given to the Master Trustee of any such transfer of Property having a book value in excess of 1% of net book value of all of the net Property, Plant and Equipment of the Obligated Group.

(b) Transfers aggregating in any Fiscal Year not more than 3% of net Property, Plant and Equipment (as shown on last audit) and not more than 7.5% of net Property, Plant and Equipment in any period of three consecutive Fiscal Years.

(c) Transfers of tangible Property at any one time in excess of 3% of net Property, Plant and Equipment provided that (i) the required Debt Service Coverage Ratio and Days' Cash on Hand Ratio are being met, (ii) an architect certifies the transfer will not materially adversely affect use or operation of the Facilities of the Obligated Group, and (iii) either:

(i) an Accountant has provided the Obligated Group, in writing, with a calculation showing that if such transfer had been made at the beginning of the last Fiscal Year, the Debt Service Coverage Ratio of the Obligated Group would have been at least 90% of the actual ratio and not less than 1.35; or

(ii) a Consultant forecasts that the Debt Service Coverage Ratio of the Obligated Group for the two Fiscal Years following the transfer will be at least 90% of the actual ratio for the preceding Fiscal Year and not less than 1.35.

The proceeds from the sale of any tangible Property shall be used to purchase replacement Property or to prepay Indebtedness.

(d) Transfers of Cash or Investments or accounts receivable to any Person who is not a Member (other than the repayment of the Series 2012 Subordinated Obligations subject to the conditions in Supplement Number 1 and other than in the ordinary course of business) only with the prior written consent of Majority Holders.

(e) Transfers from a Member to another Member.

(f) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property.

(g) To any Person if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Master Obligations.

See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Disposition of Property" in **APPENDIX D**.

Disposition of Property Under the Third Amended and Restated Master Trust Indenture. Under the Third Amended and Restated Master Trust Indenture, each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal

Property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

- (a) Transfers among Members of the Obligated Group are permitted without limit.
- (b) Dispositions of Property which has been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other Property substantially equivalent in value.
- (c) Other than transfers pursuant to (a) or (b) above, the Property sold, leased, donated, transferred or otherwise disposed of does not, for any Fiscal Year, exceed 5% of the total Book Value of all Property of the Obligated Group as of the most recent Fiscal Year End; provided, however, that Days Cash on Hand shall not be less than 120 after giving effect to such sale, lease, donation, transfer or other disposition of assets.
- (d) Transfers aggregating in any Fiscal Year to not more than 5% of net Property, plant and equipment, as reported in the prior Fiscal Year's audit, without receiving cash or other Property substantially equivalent in value.
- (e) Cash and investments may not be transferred outside the Obligated Group, except that current assets may be: (i) transferred and used in payment for Property or services of substantially equivalent value; (ii) used for Obligated Group capital expenditures; or (iii) be invested as an investment of the Obligated Group funds on arms' length terms.

For avoidance of doubt, it is understood that the provisions of the Master Trust Indenture described under this heading do not prohibit any transfer of cash by a Member in payment of any of its obligations, indebtedness and liabilities the incurrence of which obligation, indebtedness or liability did not or would not, either immediately or with the giving of notice, the passage of time or both, result in the occurrence of an Event of Default.

For purposes of the provisions of the Master Trust Indenture described under this heading, payments by the Obligated Group of any development, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination will not be treated as a disposition of Property.

In connection with any sale, lease or other disposition of Property, to the extent the Obligated Group Member receives Property in return for such sale, lease or disposition, the Property which is sold, leased or disposed of shall be treated, for purposes of the provisions of the provisions of the Master Trust Indenture described under this heading, as having been transferred in satisfaction of the provisions of paragraph (a) above to the extent of the fair market value of the Property received by the Obligated Group Member. The Member shall be required, however, to satisfy the conditions contained in one of the other provisions of the Master Trust Indenture described under this heading with respect to the remaining value of such Property in excess of the fair market value of the Property received by the Member in return therefor prior to any such sale, lease or other disposition.

Each Member further agrees that it will not sell, lease, donate or otherwise dispose of Property (A) which could reasonably be expected at the time of such sale, lease, donation or disposition to result in a reduction of the Debt Service Coverage Ratio for the Obligated Group such that the Master Trustee would be obligated to require the Obligated Group to retain a Consultant pursuant to the Master Trust Indenture or (B) if a Consultant has been retained in the circumstances described in the Master Trust Indenture relating to the Debt Service Coverage Ratio, such action, in the opinion of such Consultant, will have an adverse effect on the Income Available for Debt Service of the Obligated Group. The rendering of any service, the making of any loan or gift, the extension of any credit or any other transaction with any Affiliate shall be permitted if there is compliance with any of subsections (a) through (e) above or if such transaction is pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's length transaction with a person not an Affiliate.

Upon Request of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent for the disposition of such Property set forth in the Master Trust Indenture have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such Property only and the lien of the Master Trust Indenture shall be released without recourse, representation or warranty by the Master Trustee as to such Property in due form at the expense of the Obligated Group Members. See "FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE – Disposition of Property" in **APPENDIX I** hereto.

Incorporation of Certain Covenants. The Obligated Group agrees that if and when parity debt is issued and secured under the Master Indenture, any financial covenants set forth in any Related Loan Agreement, including, without limitation, any credit agreement to which the Corporation may be a party, shall be incorporated by reference (collectively referred to herein as the "Incorporated Provisions") in the Master Indenture for the benefit of the holders of the Series 2016 Obligation and Series 2017 Obligation, but only for so long as such parity debt is outstanding. Any amendments or waivers of such Incorporated Provisions shall require consent of the majority of the Holders of the Series 2016 Obligation and Series 2017 Obligation. This paragraph does not prohibit any issuance of additional Master Obligations under the Master Indenture if no Event of Default has occurred and is continuing and if conditions precedent or other conditions applicable to the issuance of such additional Master Obligations have been satisfied. **This provision will be revised by the Third Amended and Restated Master Trust Indenture to read as follows:** The Obligated Group agrees that if an Additional Master Obligation is issued under the Master Indenture subsequent to the issuance of the Series 2023A Obligation, any financial covenants set forth in any Related Loan Agreement, including, without limitation, any credit agreement to which the Corporation may be a party, shall be incorporated by reference (collectively referred to herein as the "Incorporated Provisions") in the Master Indenture for the benefit of the holders of the Series 2021A Obligation, but only for so long as such Additional Master Obligation is Outstanding. Any amendments or waivers of such Incorporated Provisions shall require consent or waiver of a majority of the Holders of the Series 2021A Obligation. This paragraph shall not prohibit any issuance of Additional Master Obligations under the Master Indenture if no Event of Default has occurred and is continuing and if conditions precedent or other conditions applicable to the issuance of such additional Master Obligations have been satisfied. See "SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture" and "FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE" attached in **APPENDIX I** hereto.

Rating Solicitation Covenant

In each of the Loan Agreements, the Corporation agrees that it will, not later than 120 days after each Fiscal Year, commencing with the Fiscal Year during which Stable Occupancy occurs, retain a Consultant, which may be the Underwriter, that has expertise in the senior living industry to assess the likelihood of whether the Corporation could obtain an Investment Grade Rating from a Rating Agency. Such assessment is to be delivered to the Bond Trustee. The Corporation agrees to provide to such Consultant such information as it may reasonably request in order to assist it in making such assessment. If such Consultant determines that such rating is obtainable, the Corporation agrees that it will, at the Corporation's sole expense, solicit and make a good faith effort to obtain such rating, and the Corporation is to notify the Bond Trustee if a rating has been obtained or not.

Certain Amendments to Bond Indentures and Master Indenture

Except for certain amendments not requiring consent under the related Bond Indenture, the Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding under such Bond Indenture and affected thereby shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of amendments to such Bond Indenture for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in such Bond Indenture; provided, however that without the consent of the Beneficial Owners of all the Bonds at the time Outstanding under such Bond Indenture nothing contained in such Bond Indenture shall permit, or be construed as permitting any of the following: (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds of such series, without the consent of every Beneficial Owner of such Bonds, or (b) the deprivation of the Beneficial Owner of any Bond then Outstanding under such Bond Indenture of the lien created by such Bond Indenture and the Master Indenture (other than as originally permitted by such Bond Indenture, or (c) a privilege or

priority of any Bond or Bonds over any other Bond or Bonds Outstanding under such Bond Indenture, or (d) a reduction in the aggregate principal amount of Bonds Outstanding under such Bond Indenture required for consent to any such supplemental indenture. **Each Bond Indenture 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 clauses (a) through (c) above may be made with respect to Bonds Outstanding under such Bond Indenture with the consent of the Beneficial Owners of 66-2/3% in aggregate principal amount of all Outstanding Bonds under such Bond Indenture.** See “BONDHOLDERS’ RISKS – Amendments to Documents.”

With the Consent of the Majority Holders, by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Master Indenture or of modifying in any manner the rights of the Holders of the Master Obligations under the Master Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or (b) reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of the Master Indenture or certain defaults hereunder and their consequences) provided for in the Master Indenture, or (c) modify any of the provisions of the Master Indenture relating to Supplements with consent of Holders or any of the provisions of the Master Indenture relating to waivers, except to increase any such percentage or to provide that certain other provisions of the Master Indenture cannot be modified or waived without the Consent of the Holder of each Master Obligation affected thereby. **The Master Indenture 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 subsections (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the Holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in subsections (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.**

For so long as the Series 2016 Bonds and the Series 2017 Bonds remain Outstanding, the Master Indenture cannot be amended without the prior written consent of the beneficial owners of a majority in principal amount of the Series 2016 Bonds and the Series 2017 Bonds. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.**

See “BONDHOLDERS’ RISKS – Amendments to Documents.”

Revenue Fund

The following provisions are the same under the existing Master Indenture and the Third Amended and Restated Master Trust Indenture:

If a payment Event of Default under the Master Trust Indenture occurs and continues for a period of five days, the Master Trustee will establish a Revenue Fund and each Obligated Group Member will deposit with the Master Trustee all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrances) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no such payment default under the Master Indenture or in the payment of any other Master Obligations then exists or such default has been waived in accordance with the terms of the Master Indenture.

On the fifth Business Day preceding the end of each month in which any Obligated Group Member has made payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(i) If the principal of all the Master Obligations has not been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due in the next succeeding month to the Master Trustee under the Master Indenture;

Second: to an operating account designated by the Obligated Group Representative (which shall be subject to the lien of the Master Indenture), the amount the Obligated Group Representative certifies is necessary to pay the Expenses due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget, followed by payment of Entrance Fee refunds to residents to the extent required under entrance fee agreements;

Third: to the payment of the amounts then due and unpaid upon the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively;

Fourth: to restore any deficiency in the Debt Service Reserve Fund;

Fifth: to the payment of the amounts then due and unpaid upon the Master Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: any balance shall be kept in the Revenue Fund for application as set forth in items First through Fifth of this subsection; upon delivery to the Master Trustee of an Officer's Certificate to the effect that (a) items First through Fifth of this subsection have been fully funded, (b) there is no Event of Default, and (c) after giving effect to such distribution, the Obligated Group will be in compliance with the Liquidity Requirement, and as of the last required calculation, the Obligated Group was in compliance with the Debt Service Coverage Ratio Covenant, all or a portion of such balance shall be distributed to or as directed by the Obligated Group Representative.

Under the existing Master Indenture, the following provision applies:

(ii) If the principal of all the Master Obligations has been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due the Master Trustee under this Master Trust Indenture;

Second: to the payment of unpaid interest on the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness;

Third: to the payment of unpaid principal of the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness;

Fourth: if directed in writing by the Majority Holders, to the payment of the Expenses that the Obligated Group Representative certifies are due or expected to become due in the month

following the month in which such transfer is made, all as set forth in the then-current Annual Budget;

Fifth: to the payment of unpaid interest on the Master Obligations constituting Subordinated Indebtedness;

Sixth: to the payment of unpaid principal of the Master Obligations constituting Subordinated Indebtedness; and

Seventh: To the Obligated Group Representative.

Under the Third Amended and Restated Master Indenture, the following provision applies:

(ii) If the principal of all the Master Obligations has been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due the Master Trustee under the Master Indenture;

Second: to the payment of the Expenses that the Obligated Group Representative certifies are due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget; provided however, that if the Master Trustee, in its sole discretion, determines that the payment of such Expenses is not in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of Master Obligations then Outstanding not to pay such Expenses, then to pay the amounts required by paragraph Third below;

Third: to the payment of the amounts then due and unpaid upon the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively;

Fourth: to the payment of the amounts then due and unpaid upon Indebtedness not constituting Master Obligations or Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Indebtedness for principal (and premium, if any) and interest, respectively;

Fifth: to the payment of the amounts then due and unpaid upon the Master Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: To the Obligated Group Representative.

Additional Indebtedness Under Existing Master Indenture and Supplemental Indenture Number 5

The Corporation may issue additional Master Obligations under the Master Indenture, including Master Obligations to secure additional bonds of the Issuer, on conditions described below. Such Master Obligations may be secured on a first lien parity basis with all currently outstanding Master Obligations. For further discussion of the Phase II Expansion plans, see “PHASE II EXPANSION” in **APPENDIX A** hereto.

Under the existing Master Indenture, as amended by Supplemental Indenture Number 5, while any Series 2016 Bonds or Series 2017 Bonds remain Outstanding, the Obligated Group may not incur any Additional Indebtedness without the prior written consent of (1) the Majority Holders and (2) the holders of a majority of the outstanding principal amount of the Series 2016 Bonds and the Series 2017 Bonds. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Permitted Additional Indebtedness” and “– SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5” in **APPENDIX D** hereto. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.** See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” and “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE” attached in **APPENDIX I** hereto.

Pursuant to the existing Master Indenture, as amended by Supplemental Indenture Number 5, so long as any Master Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Master Obligations) other than:

(a) Long-Term Indebtedness. If no Event of Default shall have occurred and then be continuing, the Obligated Group may incur or assume additional Long-Term Indebtedness, including without limitation, Long-Term Indebtedness to refund outstanding Long-Term Indebtedness, for such lawful purposes of the Obligated Group as shall be specified in reasonable detail in a certified resolution of the Obligated Group Representative; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group shall deliver to the Master Trustee:

(i) *Historical Pro Forma Test.* Except as provided in paragraphs (ii) through (vii) below, an Officer’s Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25.

(ii) *Historical Test and Forecast.* In lieu of the requirements of paragraph (i) above,

(A) An Officer’s Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25, and

(B) A Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.25 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service. **The following proviso is added to this provision by Supplemental Indenture Number 5: “provided, however, with respect to the incurrence of the Series 2021 Master Obligations, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Master Obligations) is expected to be not less than 1.25 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Master Obligations.”** See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” and “FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5” in **APPENDIX D** hereto.

(iii) *Pro Forma Test.* In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking

into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.35 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant as of the first Testing Date in the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed in service. **The following proviso is added to this provision by Supplemental Indenture Number 5: "provided, however, with respect to the incurrence of the Series 2021 Master Obligations, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Master Obligations) is expected to be not less than 1.35 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Master Obligations."** See "SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture" and "FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5" in **APPENDIX D** hereto.

(iv) *Limit Based on Revenues.* In lieu of the requirements of paragraphs (i) through (iii) above, an Officer's Certificate showing that the proposed Long-Term Indebtedness, together with all Long-Term Indebtedness incurred pursuant to this paragraph (iv) which is then outstanding and which is not covered by an Officer's Certificate or Feasibility Report delivered pursuant to paragraphs (i) through (iii) above, does not exceed five percent (5%) of Revenues of the Obligated Group for the immediately preceding Fiscal Year.

(v) *Completion Long-Term Indebtedness.* In the case of Completion Long-Term Indebtedness, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance such Capital Addition or (B) a Feasibility Report stating that the forecasted Debt Service Coverage Ratio of the Obligated Group (taking into account the proposed additional Long-Term Indebtedness and excluding any Long-Term Indebtedness expected to be refunded as part of such issuance of additional Long-Term Indebtedness) for each of the two Fiscal Years immediately following the completion of such Capital Addition will be not less than what such Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness. In addition, the Obligated Group Representative shall provide a certificate of an independent architect or a Consultant with skill and experience in construction or renovation matters that the Completion Long-Term Indebtedness incurred to finance the completion of the Facilities will be sufficient to complete the Facilities.

(vi) *Refunding Indebtedness.* As an alternative to satisfying the requirements of paragraphs (i) through (v) above, in the case of Long-Term Indebtedness incurred to refinance outstanding Long-Term Indebtedness, an Officer's Certificate showing that the Maximum Annual Debt Service on the proposed Long-Term Indebtedness does not exceed 110% of the Maximum Annual Debt Service on the Long-Term Indebtedness to be refinanced.

(vii) *Subordinated Indebtedness.* Future Subordinated Indebtedness may be incurred without limit provided that payment of interest or principal on such indebtedness is subject to the provisions of Section 3.05 of the Master Indenture.

Notwithstanding the foregoing, any Feasibility Report delivered pursuant to subsections (ii) through (v) above and relating to Long-Term Indebtedness relating to the Phase II Expansion Site, shall be prepared by a consultant approved by a majority of holders of the Series 2016 Bonds, the Series 2017

Bonds and the Bonds. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.** See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” and “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE” attached in **APPENDIX I** hereto.

Notwithstanding the foregoing, upon the incurrence of any Long-Term Indebtedness relating to the Phase II Expansion Site, the Obligated Group shall establish a cumulative cash loss covenant (unless waived by a majority of holders of the Series 2016 Bonds, the Series 2017 Bonds and the Bonds) that provides that if the Obligated Group fails to meet the cumulative cash loss covenant for any quarterly testing period by more than 35% of the designated covenant level for four (4) consecutive quarters, such violation shall constitute an Event of Default under the Master Indenture. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.** See “SECURITY FOR THE BONDS – Bondholders Deemed to Consent to Amendments to Master Indenture” and “FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE” attached in **APPENDIX I** hereto.

In the case of any Additional Indebtedness being incurred to finance Capital Additions or new Facilities, there shall be provided to the Master Trustee an Officer’s Certificate stating that the amount of Additional Indebtedness to be incurred will be sufficient to complete the Capital Additions or Facilities to be financed.

(b) *Short-Term Indebtedness.* The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short-Term Indebtedness in any amount up to five percent (5%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short-Term Indebtedness must, for a period of at least 15 consecutive days during each Fiscal Year, be less than 2.5% of Revenues for the preceding Fiscal Year. Short-Term Indebtedness in excess of such 2.5% limit shall be permitted to remain Outstanding only if permitted to exist under the Master Indenture as Long-Term Indebtedness.

(c) *Security for Short-Term Indebtedness and Working Capital Debt.* Any Short-Term Indebtedness or any Long-Term Indebtedness which is incurred for the purpose of providing working capital may be secured by a security interest on the Gross Revenues (but not the Mortgaged Property) on a parity with the security interest created by the Master Indenture, and if so secured, the agreement for the repayment of such Short-Term Indebtedness and instruments evidencing or securing the same shall provide that: (i) any event of default thereunder shall be an Event of Default under the Master Indenture; and (ii) if any event of default shall have occurred with respect to such Short-Term Indebtedness, the holder thereof shall be entitled only to such rights to exercise, consent to or direct the exercise of remedies as are available to the Master Trustee, and that all such remedies are except as otherwise provided in the Master Indenture, to be exercised solely by the Master Trustee for the equal and ratable benefit of the holders of all Obligations and all Indebtedness so secured. Any agreement for the repayment of such Indebtedness and instruments evidencing or securing the same shall provide for notices to be given to the Master Trustee regarding defaults by the Obligated Group, and shall specify the rights of the Master Trustee to pursue remedies upon the receipt of such notice, and the sharing of the rights of the Master Trustee to control the exercise of remedies with the holder of such indebtedness. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.**

(d) *Security for Subordinated Indebtedness.* The Obligated Group may secure Subordinated Indebtedness (including the Series 2012 Subordinated Obligations) incurred or assumed pursuant to the Master Indenture as a Master Obligation with a lien on the Trust Estate that is subordinate to the lien on the Trust Estate securing all other Master Obligations issued under the Master Indenture. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.**

Additional Indebtedness Under Third Amended and Restated Master Indenture

Pursuant to the Third Amended and Restated Master Indenture, so long as any Master Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Master Obligations) other than:

(a) *Long-Term Indebtedness.* If no Event of Default shall have occurred and then be continuing, the Obligated Group may incur or assume additional Long-Term Indebtedness, including without limitation, Long-Term Indebtedness to refund outstanding Long-Term Indebtedness, for such lawful purposes of the Obligated Group as shall be specified in reasonable detail in a certified resolution of the Obligated Group Representative; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group shall deliver to the Master Trustee:

(i) *Historical Pro Forma Test.* Except as provided in paragraphs (ii) through (vii) below, an Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred and excluding any Long-Term Indebtedness to be refunded) was not less than the Debt Service Coverage Ratio Requirement (calculated on the basis of Maximum Annual Debt Service for all Long-Term Indebtedness of the Obligated Group) and the Obligated Group was in compliance with the Days' Cash on Hand covenant.

(ii) *Historical Test and Forecast.* In lieu of the requirements of paragraph (i) above,

(A) An Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than the Debt Service Coverage Ratio Requirement and the Obligated Group was in compliance with the Days' Cash on Hand covenant as of the most recent Testing Date, and

(B) A Feasibility Report stating that (a) the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred and excluding any Long-Term Indebtedness to be refunded) is expected to be not less than 1.30 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and (b) the Obligated Group is forecasted to be compliance with the Days' Cash on Hand covenant.

(iii) *Pro Forma Test.* In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.30 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant as of the first Testing Date in the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed in service.

(iv) *Limit Based on Revenues.* In lieu of the requirements of paragraphs (i) through (iii) above, an Officer's Certificate showing that the proposed Long-Term Indebtedness, together with all Long-Term Indebtedness incurred pursuant to this paragraph (iv) which is then outstanding and which is not covered by an Officer's Certificate or Feasibility Report delivered pursuant to paragraphs (i) through (iii) above, does not exceed 10% of Revenues of the Obligated Group for the immediately preceding Fiscal Year.

(v) *Completion Long-Term Indebtedness.* In the case of Completion Long-Term Indebtedness, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance such Capital Addition or (B) a Feasibility Report stating that the forecasted Debt Service Coverage Ratio of the Obligated Group (taking into account the proposed additional Long-Term Indebtedness and excluding any Long-Term Indebtedness expected to be refunded as part of such issuance of additional Long-Term Indebtedness) for each of the two Fiscal Years immediately following the completion of such Capital Addition will be not less than what such Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness. In addition, the Obligated Group Representative shall provide a certificate of an independent architect or a Consultant with skill and experience in construction or renovation matters that the Completion Long-Term Indebtedness incurred to finance the completion of the Facilities will be sufficient to complete the Facilities.

(vi) *Refunding Indebtedness.* As an alternative to satisfying the requirements of paragraphs (i) through (v) above, in the case of Long-Term Indebtedness incurred to refinance outstanding Long-Term Indebtedness, an Officer's Certificate showing that the Maximum Annual Debt Service on the proposed Long-Term Indebtedness does not exceed 110% of the Maximum Annual Debt Service on the Long-Term Indebtedness to be refinanced.

(vii) *Subordinated Indebtedness.* Future Subordinated Indebtedness may be incurred without limit provided that payment of interest or principal on such indebtedness is subject to the provisions of Section 3.05 of the Master Indenture.

In the case of any Additional Indebtedness being incurred to finance Capital Additions or new Facilities, there shall be provided to the Master Trustee an Officer's Certificate stating that the amount of Additional Indebtedness to be incurred will be sufficient to complete the Capital Additions or Facilities to be financed.

(b) *Short-Term Indebtedness.* The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short-Term Indebtedness in any amount up to five percent (5%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short-Term Indebtedness must, for a period of at least 15 consecutive days during each Fiscal Year, be less than 2.5% of Revenues for the preceding Fiscal Year. Short-Term Indebtedness in excess of such 2.5% limit shall be permitted to remain Outstanding only if permitted to exist under the Master Trust Indenture as Long-Term Indebtedness.

(c) *Reserved.*

(d) *Credit Facility Debt.* Master Obligations may be incurred in connection with a Credit Facility issued with respect to indebtedness incurred in accordance with any other provision set forth in this section, provided that any indebtedness in favor of the Credit Facility provider shall not exceed 110% of the related indebtedness.

(e) *Indebtedness Among Members of the Obligated Group.* Indebtedness among Members of the Obligated Group is permitted without limit.

(f) *Nonrecourse Indebtedness.* Nonrecourse debt may be incurred without limit.

(g) *Guarantees.* The Obligated Group may guarantee Indebtedness of another party with any such Guarantee deemed Long-Term Debt in accordance with the Master Indenture.

(h) *Security for Permitted Debt.*

(i) Additional indebtedness, including Master Obligations, may be secured on a parity first lien basis with the Outstanding Master Obligations by the issuance of a Master Obligation to the holder of such indebtedness.

(ii) Additional indebtedness may also be secured by (i) a lien on Property not constituting Facilities subject to the Security Deed, (ii) a purchase money security interest (first lien) on new or replacement equipment and fixtures (incurred in the ordinary course of business), or (iii) Permitted Liens.

(iii) Short-term indebtedness and long-term indebtedness to provide working capital indebtedness may be financed with a Master Obligation.

FORWARD DELIVERY OF THE SERIES 2022 BONDS

Forward Delivery – Series 2022 Bonds

Pursuant to a contract of purchase (the “2022 Bond Purchase Agreement”) among the Underwriter, the Issuer and the Corporation, the Underwriter is agreeing, subject to the satisfaction of the terms and conditions of the 2022 Bond Purchase Agreement, to purchase the Series 2022 Bonds from the Issuer for the delivery by the Issuer on or about March 3, 2022 (the “Settlement Date”).

A closing (the “Preliminary Closing”) will be held with respect to the Series 2022 Bonds on or about November __, 2021 (the “Preliminary Closing Date”). At such time, the conditions for issuance and delayed delivery of the Series 2022 Bonds and payment therefor by the Underwriter are expected to be met, except for the confirmation of certain facts and the delivery of certain documents, certificates and opinions, including the approving opinion of Bond Counsel dated the Settlement Date in substantially the form set forth in **APPENDIX E** hereto under the heading “Series 2022 Bonds Bond Counsel Opinion,” which are to be provided on the Settlement Date (and receipt of which are conditions to the issuance of the Series 2022 Bonds). See “FORWARD DELIVERY OF THE SERIES 2022 BONDS – Settlement Conditions,” below. There will be no delivery of the Series 2022 Bonds or any payment therefor on the Preliminary Closing Date.

Changes or proposed changes in federal or North Carolina state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure of the Issuer or the Corporation to provide closing documents of the type customarily required in connection with the issuance of municipal bonds, satisfactory to Bond Counsel, could prevent Bond Counsel from rendering its approving opinion with respect to the Series 2022 Bonds.

Although all necessary Issuer and Corporation action constituting conditions precedent to the issuance of the Series 2022 Bonds, and the Corporation’s borrowing the proceeds thereof pursuant to the Loan Agreement, is expected to have occurred as of the Preliminary Closing Date, the issuance of the opinion of Bond Counsel on the Settlement Date is also dependent, among other things, upon the receipt by Bond Counsel on the Settlement Date of certificates of the Issuer and the Corporation to the effect that the proceedings of the Issuer and the Corporation with respect to the issuance of the Series 2022 Bonds have not been amended or repealed by subsequent adverse executive, legislative or administrative action. The amendment or repeal of any of the proceedings of the Issuer or the Corporation with respect to the issuance of the Series 2022 Bonds by subsequent executive, legislative or administrative action may prevent the issuance and delivery of the Series 2022 Bonds.

During the period of time between the date of the 2022 Bond Purchase Agreement and the issuance and delivery of the Series 2022 Bonds (the “Delayed Delivery Period”), certain information contained in this Official Statement may change in a material respect. The Corporation has agreed to supplement this Official Statement, to the extent necessary to assure its accuracy as of the Settlement Date, and to provide such supplement (the “Supplement to Official Statement”) to prospective purchasers of the Series 2022 Bonds not more than 25 days nor less than five days prior to the Settlement Date. The Corporation anticipates that the Official Statement will be updated by virtue of cross references to filings made under the Electronic Municipal Market Access portal of the Municipal Securities Rulemaking Board and by virtue of a supplement prior to the issuance of the Series 2022

Bonds. In addition, during the Delayed Delivery Period, the Corporation is required to provide notice of certain events under its continuing disclosure certificates. See “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure,” herein.

Purchasers of Series 2022 Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as **APPENDIX J**.

Settlement Conditions – Series 2022 Bonds

The issuance of the Series 2022 Bonds and the obligation of the Underwriter under the 2022 Bond Purchase Agreement to purchase, accept delivery of and pay for the Series 2022 Bonds on the Settlement Date are conditioned upon the performance by the Issuer and the Corporation of their respective obligations thereunder, including, without limitation, the delivery of an opinion, dated the Settlement Date, of Bond Counsel, substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2022 Bonds Bond Counsel Opinion,” and the delivery of the Supplement to Official Statement.

The Underwriter will have the right to terminate its obligations under the 2022 Bond Purchase Agreement to purchase the Series 2022 Bonds at any time before the Settlement Date if any of the following occurs:

- (a) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Series 2022 Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2022 Bonds so as to impair materially the marketability or to materially lower the market price thereof; or
- (b) any action by the Securities and Exchange Commission or a court which would require registration of the Series 2022 Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Series 2022 Bond Indenture under the Trust Indenture Act of 1939, as amended; or
- (c) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, which in the sole judgment of the Underwriter may have a material effect on the marketability or market price of the Series 2022 Bonds; or
- (d) any event or condition which, in the judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, as supplemented by the Supplement to Official Statement; or
- (e) pending or threatened litigation affecting or arising out of the issuance of the Series 2022 Bonds, which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Series 2022 Bonds; or
- (f) an Event of Default shall have occurred and be continuing under the Master Indenture or an event has occurred and is continuing that would be Event of Default under the Series 2022 Bond Indenture or the Series 2022 Loan Agreement and, in any case, which has not been cured as the Settlement Date; or
- (g) sufficient quantities of the Supplement to Official Statement are not delivered to the Underwriter in a timely manner, i.e., not more than 25 nor less than 5 days prior to the Settlement Date; or
- (h) the Corporation shall fail to enter into its undertaking with respect to its Continuing Disclosure Certificate with respect to the Series 2022 Bonds.

General Forward Delivery Risks – Series 2022 Bonds

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Except as described under “FORWARD DELIVERY OF THE SERIES 2022 BONDS – Settlement Conditions,” above, any changes in such information will not permit the Underwriter to terminate the 2022 Bond Purchase Agreement or release the purchasers from their obligation to purchase the Series 2022 Bonds. Purchasers of the Series 2022 Bonds will be subject to the risk of material changes in the information provided prior to the Settlement Date from that provided in this Official Statement and other risks (including changes in the financial condition and business operations of the Corporation prior to the Settlement Date), some of which are described below, and none of which will constitute grounds for purchasers to refuse to accept delivery of and pay for the Series 2022 Bonds unless the Underwriter determines that such material changes give rise to their right to termination under the 2022 Bond Purchase Agreement, as described under “FORWARD DELIVERY OF THE SERIES 2022 BONDS – Settlement Conditions,” above.

Secondary Market Risk – Series 2022 Bonds

The Underwriter is not obligated to make a secondary market in the Series 2022 Bonds and no assurance can be given that a secondary market will exist for the Series 2022 Bonds during the Delayed Delivery Period. Prospective purchasers of the Series 2022 Bonds should assume that sales of the Series 2022 Bonds will not be liquid through the Delayed Delivery Period.

Market Value Risk – Series 2022 Bonds

The market value of the Series 2022 Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the financial condition and business operations of the Corporation and federal income tax and other laws. The market value of the Series 2022 Bonds on the Settlement Date therefor could be greater or less than the agreed purchase price therefor by the initial purchasers thereof, and the difference could be substantial. Neither the Issuer, the Corporation nor the Underwriter make any representation as to the market price of the Series 2022 Bonds as of the Settlement Date. Pursuant to the 2022 Bond Purchase Agreement, the Underwriter is obligated to purchase the Series 2022 Bonds from the Issuer, without regard to any fluctuation in the market value of the Series 2022 Bonds that may occur after the date of this Official Statement or after the Preliminary Closing Date.

Other Investment Considerations – Series 2022 Bonds

Events which may occur prior to the Settlement Date may have significant consequences to persons who have agreed to purchase the Series 2022 Bonds on the Settlement Date. Several factors may adversely affect the market value of the Series 2022 Bonds including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in the federal income tax laws affecting the relative benefits of owning tax-exempt securities versus other types of investments, such as fully taxable obligations, or any adverse development with respect to the Obligated Group’s results of operations, financial condition or prospects. In addition, although the delivery of the opinion of Bond Counsel substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2022 Bonds Bond Counsel Opinion,” which is a condition to the issuance and delivery of the Series 2022 Bonds, is subject to a number of conditions to be fulfilled at the time of such delivery as described above, changes or proposed changes in federal income tax laws or regulations or interpretations thereof could affect the market value of tax-exempt securities generally, including, without limitation, the Series 2022 Bonds, without preventing the delivery of the Series 2022 Bonds on the Settlement Date.

Tax Treatment Risk – Series 2022 Bonds

Subject to the additional conditions of settlement described under “FORWARD DELIVERY OF THE SERIES 2022 BONDS – Settlement Conditions,” above, the 2022 Bond Purchase Agreement obligates the Issuer to deliver and the Underwriter to purchase the Series 2022 Bonds if the Issuer delivers an opinion of Bond Counsel with respect to the Series 2022 Bonds substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2022 Bonds Bond Counsel Opinion.” During the Delayed Delivery Period, new legislation, new court

decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interrupted in a manner that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2022 Bonds for purposes of federal income taxation, the Issuer may still be able to satisfy the requirements for the delivery of the Series 2022 Bonds and Bond Counsel may still be able to deliver its required opinion. In such event, the purchasers would be required to accept delivery of the Series 2022 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

By placing an order with the Underwriter for the purchase of the Series 2022 Bonds, each purchaser acknowledges and agrees that the Series 2022 Bonds are sold on a “forward” basis, and that the purchaser is obligated to accept delivery of and pay for the Series 2022 Bonds on the Settlement Date subject to the ability of the Underwriter to terminate its obligation to purchase the Series 2022 Bonds under certain circumstances as provided in the 2022 Bond Purchase Agreement. The Underwriter can waive such ability to terminate its obligation to purchase the Series 2022 Bonds in its sole discretion.

FORWARD DELIVERY OF THE SERIES 2023 BONDS

Forward Delivery – Series 2023 Bonds

Pursuant to a contract of purchase (the “2023 Bond Purchase Agreement”) among the Underwriter, the Issuer and the Corporation, the Underwriter is agreeing, subject to the satisfaction of the terms and conditions of the 2023 Bond Purchase Agreement, to purchase the Series 2023 Bonds from the Issuer for the delivery by the Issuer on or about March 3, 2023 (the “Settlement Date”).

A closing (the “Preliminary Closing”) will be held with respect to the Series 2023 Bonds on or about November __, 2021 (the “Preliminary Closing Date”). At such time, the conditions for issuance and delayed delivery of the Series 2023 Bonds and payment therefor by the Underwriter are expected to be met, except for the confirmation of certain facts and the delivery of certain documents, certificates and opinions, including the approving opinion of Bond Counsel dated the Settlement Date in substantially the form set forth in **APPENDIX E** hereto under the heading “Series 2023 Bonds Bond Counsel Opinion,” which are to be provided on the Settlement Date (and receipt of which are conditions to the issuance of the Series 2023 Bonds). See “FORWARD DELIVERY OF THE SERIES 2023 BONDS – Settlement Conditions,” below. There will be no delivery of the Series 2023 Bonds or any payment therefor on the Preliminary Closing Date.

Changes or proposed changes in federal or North Carolina state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure of the Issuer or the Corporation to provide closing documents of the type customarily required in connection with the issuance of municipal bonds, satisfactory to Bond Counsel, could prevent Bond Counsel from rendering its approving opinion with respect to the Series 2023 Bonds.

Although all necessary Issuer and Corporation action constituting conditions precedent to the issuance of the Series 2023 Bonds, and the Corporation’s borrowing the proceeds thereof pursuant to the Loan Agreement, is expected to have occurred as of the Preliminary Closing Date, the issuance of the opinion of Bond Counsel on the Settlement Date is also dependent, among other things, upon the receipt by Bond Counsel on the Settlement Date of certificates of the Issuer and the Corporation to the effect that the proceedings of the Issuer and the Corporation with respect to the issuance of the Series 2023 Bonds have not been amended or repealed by subsequent adverse executive, legislative or administrative action. The amendment or repeal of any of the proceedings of the Issuer or the Corporation with respect to the issuance of the Series 2023 Bonds by subsequent executive, legislative or administrative action may prevent the issuance and delivery of the Series 2023 Bonds.

During the period of time between the date of the 2023 Bond Purchase Agreement and the issuance and delivery of the Series 2023 Bonds (the “Delayed Delivery Period”), certain information contained in this Official Statement may change in a material respect. The Corporation has agreed to supplement this Official Statement, to

the extent necessary to assure its accuracy as of the Settlement Date, and to provide such supplement (the “Supplement to Official Statement”) to prospective purchasers of the Series 2023 Bonds not more than 25 days nor less than five days prior to the Settlement Date. The Corporation anticipates that the Official Statement will be updated by virtue of cross references to filings made under the Electronic Municipal Market Access portal of the Municipal Securities Rulemaking Board and by virtue of a supplement prior to the issuance of the Series 2023 Bonds. In addition, during the Delayed Delivery Period, the Corporation is required to provide notice of certain events under its continuing disclosure certificates. See “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure,” herein.

Purchasers of Series 2023 Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as **APPENDIX K**.

Settlement Conditions – Series 2023 Bonds

The issuance of the Series 2023 Bonds and the obligation of the Underwriter under the 2023 Bond Purchase Agreement to purchase, accept delivery of and pay for the Series 2023 Bonds on the Settlement Date are conditioned upon the performance by the Issuer and the Corporation of their respective obligations thereunder, including, without limitation, the delivery of an opinion, dated the Settlement Date, of Bond Counsel, substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2023 Bonds Bond Counsel Opinion,” and the delivery of the Supplement to Official Statement.

The Underwriter will have the right to terminate its obligations under the 2023 Bond Purchase Agreement to purchase the Series 2023 Bonds at any time before the Settlement Date if any of the following occurs:

- (a) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Series 2023 Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2023 Bonds so as to impair materially the marketability or to materially lower the market price thereof; or
- (b) any action by the Securities and Exchange Commission or a court which would require registration of the Series 2023 Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Series 2023 Bond Indenture under the Trust Indenture Act of 1939, as amended; or
- (c) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, which in the sole judgment of the Underwriter may have a material effect on the marketability or market price of the Series 2023 Bonds; or
- (d) any event or condition which, in the judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, as supplemented by the Supplement to Official Statement; or
- (e) pending or threatened litigation affecting or arising out of the issuance of the Series 2023 Bonds, which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Series 2023 Bonds; or
- (f) an Event of Default shall have occurred and be continuing under the Master Indenture or an event has occurred and is continuing that would be Event of Default under the Series 2023 Bond Indenture or the Series 2023 Loan Agreement and, in any case, which has not been cured as the Settlement Date; or

(g) sufficient quantities of the Supplement to Official Statement are not delivered to the Underwriter in a timely manner, i.e., not more than 25 nor less than 5 days prior to the Settlement Date; or

(h) the Corporation shall fail to enter into its undertaking with respect to its Continuing Disclosure Certificate with respect to the Series 2023 Bonds.

General Forward Delivery Risks – Series 2023 Bonds

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Except as described under “FORWARD DELIVERY OF THE SERIES 2023 BONDS – Settlement Conditions,” above, any changes in such information will not permit the Underwriter to terminate the 2023 Bond Purchase Agreement or release the purchasers from their obligation to purchase the Series 2023 Bonds. Purchasers of the Series 2023 Bonds will be subject to the risk of material changes in the information provided prior to the Settlement Date from that provided in this Official Statement and other risks (including changes in the financial condition and business operations of the Corporation prior to the Settlement Date), some of which are described below, and none of which will constitute grounds for purchasers to refuse to accept delivery of and pay for the Series 2023 Bonds unless the Underwriter determines that such material changes give rise to their right to termination under the 2023 Bond Purchase Agreement, as described under “FORWARD DELIVERY OF THE SERIES 2023 BONDS – Settlement Conditions,” above.

Secondary Market Risk – Series 2023 Bonds

The Underwriter is not obligated to make a secondary market in the Series 2023 Bonds and no assurance can be given that a secondary market will exist for the Series 2023 Bonds during the Delayed Delivery Period. Prospective purchasers of the Series 2023 Bonds should assume that sales of the Series 2023 Bonds will not be liquid through the Delayed Delivery Period.

Market Value Risk – Series 2023 Bonds

The market value of the Series 2023 Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the financial condition and business operations of the Corporation and federal income tax and other laws. The market value of the Series 2023 Bonds on the Settlement Date therefor could be greater or less than the agreed purchase price therefor by the initial purchasers thereof, and the difference could be substantial. Neither the Issuer, the Corporation nor the Underwriter make any representation as to the market price of the Series 2023 Bonds as of the Settlement Date. Pursuant to the 2023 Bond Purchase Agreement, the Underwriter is obligated to purchase the Series 2023 Bonds from the Issuer, without regard to any fluctuation in the market value of the Series 2023 Bonds that may occur after the date of this Official Statement or after the Preliminary Closing Date.

Other Investment Considerations – Series 2023 Bonds

Events which may occur prior to the Settlement Date may have significant consequences to persons who have agreed to purchase the Series 2023 Bonds on the Settlement Date. Several factors may adversely affect the market value of the Series 2023 Bonds including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in the federal income tax laws affecting the relative benefits of owning tax-exempt securities versus other types of investments, such as fully taxable obligations, or any adverse development with respect to the Obligated Group’s results of operations, financial condition or prospects. In addition, although the delivery of the opinion of Bond Counsel substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2023 Bonds Bond Counsel Opinion,” which is a condition to the issuance and delivery of the Series 2023 Bonds, is subject to a number of conditions to be fulfilled at the time of such delivery as described above, changes or proposed changes in federal income tax laws or regulations or interpretations thereof could affect the market value of tax-exempt securities generally, including, without limitation, the Series 2023 Bonds, without preventing the delivery of the Series 2023 Bonds on the Settlement Date.

Tax Treatment Risk – Series 2023 Bonds

Subject to the additional conditions of settlement described under “FORWARD DELIVERY OF THE SERIES 2023 BONDS – Settlement Conditions,” above, the 2023 Bond Purchase Agreement obligates the Issuer to deliver and the Underwriter to purchase the Series 2023 Bonds if the Issuer delivers an opinion of Bond Counsel with respect to the Series 2023 Bonds substantially in the form set forth in **APPENDIX E** hereto under the heading “Series 2023 Bonds Bond Counsel Opinion.” During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interrupted in a manner that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2023 Bonds for purposes of federal income taxation, the Issuer may still be able to satisfy the requirements for the delivery of the Series 2023 Bonds and Bond Counsel may still be able to deliver its required opinion. In such event, the purchasers would be required to accept delivery of the Series 2023 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

By placing an order with the Underwriter for the purchase of the Series 2023 Bonds, each purchaser acknowledges and agrees that the Series 2023 Bonds are sold on a “forward” basis, and that the purchaser is obligated to accept delivery of and pay for the Series 2023 Bonds on the Settlement Date subject to the ability of the Underwriter to terminate its obligation to purchase the Series 2023 Bonds under certain circumstances as provided in the 2023 Bond Purchase Agreement. The Underwriter can waive such ability to terminate its obligation to purchase the Series 2023 Bonds in its sole discretion.

BONDHOLDERS’ RISKS

General Risk Factors

The Bonds are special and limited obligations of the Issuer, payable solely from and secured exclusively by the funds pledged thereto, including the payments to be made by the Corporation under the related Loan Agreement.

An investment in the Bonds involves various risks as described in this Official Statement. Each prospective investor should carefully examine this Official Statement and his or her own financial condition in order to make a judgment as to whether the Bonds are an appropriate investment. A BONDOWNER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND SPECIAL REFERENCE IS MADE TO THE SECTION “SECURITY FOR THE BONDS” AND THIS SECTION FOR A DISCUSSION OF CERTAIN BONDHOLDERS’ RISKS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS.

As described herein under the caption “SECURITY FOR THE BONDS,” except to the extent that the principal of, premium, if any, and interest on the Bonds may be payable from the proceeds thereof or investment income thereon or, under certain circumstances, proceeds of insurance, sale or condemnation awards, such principal, premium and interest will be payable solely from amounts paid by the Corporation under the related Loan Agreement or by the Obligated Group (currently consisting solely of the Corporation) under the Master Indenture.

No representation or assurance is given or can be made that revenues will be realized by the Obligated Group (which in the context of this discussion of risk factors, should be understood to include the Corporation individually and together with future Members of the Obligated Group, if any) sufficient to ensure the payment of the principal and interest on the Bonds in the amounts and at the times required to pay debt service on each series of the Bonds when due. Neither the Underwriter nor the Issuer has made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group. The ability of the Obligated Group to generate sufficient revenues may be impacted by a number of factors. Some, but not necessarily all of these risk factors are discussed in this section below; these risk factors should be considered by investors considering any purchase of the Bonds. Neither the Underwriter nor the Issuer has made any independent

investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group.

Special Limited Obligations

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS. THE ISSUER HAS NO TAXING POWER.

The Bonds are special limited obligations of the Issuer and have three sources of payment, as follows:

(1) ***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 Obligations.*** The Issuer has no obligation to pay the Bonds except from loan payments derived from the Loan Agreement and from the Obligated Group pursuant to the Obligations. The Bonds, together with interest and premium, if any, thereon, will be special limited obligations of the Issuer and will never constitute an indebtedness of the Issuer within the meaning of any State statutory limitation. The Issuer has no taxing power. Under the Loan Agreement, which the Issuer has assigned to the Bond Trustee, the Obligated Group 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 Bonds. Such loan payments are, however, anticipated to be derived principally from operation of the Community and investment earnings. Profitable operation of the Community depends in large part on achieving and maintaining certain occupancy levels throughout the term of the Bonds. However, no assurance can be made that the revenues derived from the operation of the Community will be realized by the Corporation in the amounts necessary, after payment of operating expenses of the Community, to pay maturing principal of, premium, if any, and interest on the Series 2021 Bonds, the Series 2022 Bonds, the Series 2023 Bonds and the other indebtedness of the Obligated Group.

(2) ***Revenues received from operation of the Community by a receiver upon a default under the Master Indenture or the Bond Indenture.*** Attempts to have a receiver appointed to take charge of properties pledged to secure loans are frequently met with defensive measures such as the initiation of protracted litigation and/or the initiation of bankruptcy proceedings, and such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. It is therefore likely that prospects for uninterrupted payment of principal and interest on the Bonds in accordance with their terms are largely dependent upon the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating the Community in a profitable manner.

(3) ***Proceeds realized from the sale or lease of The Community to a third party by the Bond Trustee or Master Trustee.*** Attempts to sell or foreclose on commercial property or otherwise realize upon security for obligations may be met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. In addition, the Bond Trustee or Master Trustee could experience difficulty in selling or leasing any of The Community upon foreclosure due to the special-purpose nature of continuing care retirement facilities and the proceeds of such sale may not be sufficient to fully pay the owners of the Series 2020 Bonds.

The best prospects for uninterrupted payment of principal and interest on the Series 2020 Bonds in accordance with their terms is the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating its Facilities in a profitable manner. Even if its Facilities are operating profitably, other factors could affect the Obligated Group's ability to make loan payments under the Loan Agreement and the Obligations.

Financial Feasibility Study

The financial forecasts contained in the Financial Feasibility Study included in **APPENDIX C** hereto are based upon assumptions made by the management of the Corporation. As stated in such financial forecast, 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. In addition, the financial forecast is only for each of the six years ending December 31, 2021 through 2026, and consequently does not cover the whole period during which the Bonds may be outstanding. See the Financial Feasibility Study included herein as **APPENDIX C**, 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 FINANCIAL 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, LOWER THAN ANTICIPATED GROSS REVENUES, EMPLOYEE RELATIONS, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN THE SENIOR LIVING INDUSTRY, AND GENERAL ECONOMIC CONDITIONS. SEE "CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT."

Redemption of Series 2021B-1 Bonds, Series 2021B-2 Bonds and Series 2021C Bonds from Entrance Fees

Management's financial forecast contained in the Financial Feasibility Study included in **APPENDIX C** hereto anticipates that the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds will be required to be redeemed from funds held in the Entrance Fee Redemption Account established under the 2021 Bond Indenture upon achieving occupancy of approximately 22%, 51% and 85%, respectively, of the units in the Phase II Expansion for which the Corporation collects Entrance Fees. There can be no guarantee, however, that there will be sufficient funds in the applicable Entrance Fee Redemption Account in order to so redeem any such Series 2021C Bonds, Series 2021B-2 Bonds and Series 2021B-1 Bonds. The Entrance Fee Redemption Account will be funded as described in Supplemental Indenture Number 5. "FORMS OF PRINCIPAL FINANCING DOCUMENTS – SUPPLEMENTAL INDENTURES – Supplemental Indenture Number 5" in **APPENDIX D** hereto. See also "THE BONDS – Redemption Provisions of the Bonds—Entrance Fee Redemption" above. See also "THE BONDS – Redemption Provisions of the Bonds – Entrance Fee Redemption" above.

Caution Regarding Forward-Looking Statements

When used in this Official Statement and in any continuing disclosure by the Corporation, in the Corporation's press releases and in oral statements made with the approval of an authorized executive officer of the Corporation, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project" or similar expressions are intended to identify "forward looking statements." Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those presently anticipated or projected. The Corporation cautions readers not to place undue reliance on any such forward-looking statements. The Corporation advises readers that certain factors could affect the financial performance of the Corporation and could cause the actual results of the Corporation for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

Construction Risks

Construction of the Phase II Expansion is subject to the usual risks associated with construction projects including, but not limited to, delays in issuance of required building permits or other necessary approvals or permits, strikes, labor disputes, shortages of materials and/or labor, transportation delays, restrictions related to endangered species, adverse weather conditions, fire, casualties, acts of God, war, acts of public enemies, terrorism, orders of any kind of federal, state, county, city or local government, insurrections, riots, adverse conditions not reasonably anticipated or other causes beyond the control of the Corporation or its contractors. In addition, the geotechnical report completed for the Phase II Expansion indicated that the site is suitable for construction when reviewed from a soil mechanics and foundation engineering perspective, however, the report indicated the presence of construction debris, sandy limestone and boulder-like rock. Such events could result in delayed marketing, substantial completion, and/or occupancy of the Phase II Expansion and thus the revenue flow therefrom.

Management of the Corporation believes that the building permits will be obtained in due course. See “THE PHASE II EXPANSION – Town Approvals” in **APPENDIX A** hereto. In addition, the marketing, substantial completion and occupancy of the Phase II Expansion may be extended by reason of changes authorized by the Corporation, delays due to acts or neglect of the Corporation, or by independent contractors employed by the Corporation. Cost overruns could also result in the Corporation not having sufficient money to complete construction of the Phase II Expansion, thereby materially affecting the receipt of revenues needed to pay the Bonds. For example, the plan of finance assumes that Entrance Fees payable on or before initial occupancy of the Phase II Expansion by individual residents will be used primarily to redeem the Series 2021B-1, the Series 2021B-2 Bonds and the Series 2021C Bonds. If the completion of the Phase II Expansion is delayed, the receipt of Entrance Fees necessary for such purposes, as well as the receipt of monthly service fees necessary to fund operations, may be adversely impacted.

The agreement with the general contractor provides for liquidated damages if the Phase II Expansion is not completed by the date specified as a result of the general contractor’s failure to perform, subject to extension under conditions set forth in the construction contract. The general contractor is required to furnish or cause to be furnished payment and performance bonds in the full amount of its construction contract for the Phase II Expansion. If the Obligated Group makes claims under the liquidated damages provisions of the construction contract or under the payment and performance bonds, there can be no assurance that such claims could be collected without litigation. Furthermore, there may be cost increases because of extraordinary events that may not give rise to claims for liquidated damages.

It is anticipated that the proceeds from the sale of the Bonds together with anticipated investment earnings thereon will be sufficient to complete the construction and equipping of the Phase II Expansion. Cost overruns for projects of this magnitude may occur due to change orders and other factors. Cost overruns could also result in the Corporation not having sufficient moneys to complete construction of the Phase II Expansion, thereby materially affecting the receipt of revenues needed to pay debt service on the Bonds. Failure to complete the Phase II Expansion either at all or on time and for the cost estimated by the Corporation would reduce or delay revenues forecasted to be received by the Corporation, which would adversely affect the financial position of the Corporation and its ability to make payments under the Master Obligations and the Loan Agreements. If the proceeds of the Bonds, together with anticipated investment earnings, were not sufficient to complete the Phase II Expansion, the Corporation would have to complete the Phase II Expansion with financing obtained from other sources that may not be available. See “PHASE II EXPANSION” in **APPENDIX A** hereto.

Furthermore, the construction of the Phase II Expansion 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 Phase II Expansion 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.

Reliance on the Manager and the Developer

The successful construction of the Phase II Expansion is dependent on the efforts of the Developer. The successful marketing and on-going management of the Community is dependent on the efforts of the Manager. The

Corporation has retained the Developer to manage the construction of the Phase II Expansion and the Manager to supervise the day-to-day marketing, operation and management of the Community.

If the Corporation were to terminate its relationship with the Manager, it would need to hire and train a successor management company to manage the Community. While the Corporation believes the Manager is qualified to manage the Community, no assurance can be given that the Manager will be able to successfully manage and operate the Community, that the Corporation will not terminate the relationship with the Manager or that another experienced successor management company could be located or would be willing to undertake the management and operation of the Community under the terms required by the Master Indenture or other related documents. A failure to maintain the Manager as the management company for the Community or to hire, train and retain a successor management company would likely have an adverse effect on the ability of the Community to operate and could negatively impact occupancy levels and revenues of the Obligated Group.

Affiliates of the Developer and the Manager have engaged in, and may engage in, business for their own accounts, independently or with others, and whether or not in the vicinity of or in competition with any Project. As a result of its other interests and activities, the Developer and the Manager may have conflicts of interest with its role in The Community, including conflicts in allocating its time and resources between the Community and other activities in which they are involved. Furthermore, neither the Developer nor the Manager has executed any covenant not to compete. In order to protect the Corporation's interest, while respecting the Manager's right to provide management services in the geographic market, the hereinafter defined Management Agreement states that the Manager or its affiliates shall not enter into an agreement to provide management services similar to those to be provided in the Management Agreement to a competing facility within the "Service Area" of the Corporation without the Corporation's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

See **APPENDIX A** hereto for more information about the Developer and the Manager.

Risks Related to Tax Legislation

Proposals for various amendments to the Code have been considered in connection with federal tax reform legislation and proposals. No assurance can be given that amendments to the Code or other federal legislation will not be introduced or enacted which would cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation or adversely affect the market price of the Bonds or otherwise prevent the holders of the Bonds from realizing the full current benefit of the federal tax status of the interest thereon. Federal legislation has previously been introduced which, if enacted into law, would limit the exclusion from gross income of interest on obligations like the Bonds.

The most recently-enacted comprehensive tax reform bill (the "Tax Cuts and Jobs Act") was signed by President Trump on December 22, 2017 and took effect on January 1, 2018. The Tax Cuts and Jobs Act lowered corporate and individual tax rates, while eliminating certain tax preferences and other tax expenditures. Limitations on deductions, together with other provisions of the Tax Cuts and Jobs Act, have impacted and could in the future impact the personal finances of residents and prospective residents of the Community. Such provisions, or any future adjustments to the Tax Cuts and Jobs Act, or other tax law changes, could also materially affect prospective purchasers of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

The Tax Cut and Jobs Act also precludes the issuance of tax-exempt private activity bonds to refinance, via advance refunding, debt previously issued. These provisions, along with other provisions in the Tax Cut and Jobs Act affecting the Obligated Group, may materially impact the future cost and/or availability of borrowed funds for Obligated Group, particularly for capital expenditures. The Tax Cuts and Jobs Act, any future adjustments to the Tax Cuts and Jobs Act or any future tax reform or economic stimulus measures relating to tax laws could materially impact the operations, financial position and cash flows of the Obligated Group. It is not possible to predict whether or when additional tax legislation will be enacted, nor is it possible to predict the content of any such enacted legislation. Additionally, such tax legislation as may be enacted or pending from time to time may materially impact the market price or marketability of the Bonds in the secondary market.

The Mortgaged Property; Mortgage and Security Interest Securing Master Obligations is of Limited Value

The Corporation has executed the Deed of Trust which conveys to a deed of trust trustee, for the benefit of the Master Trustee as deed of trust beneficiary, security title to the Mortgaged Property to secure the Corporation's obligations on all Master Obligations issued under the Master Indenture. Similar deeds of trust may be executed and delivered under certain circumstances involving Additional Indebtedness or admission of any new Obligated Group Members. In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on or sell the Mortgaged Property under certain circumstances.

All amounts collected upon sale of the Mortgaged Property will be used to pay certain costs and expenses incurred by, or otherwise related to, the sale of the Mortgaged Property, the performance of the Master Trustee under the Master Indenture, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master Indenture.

In the event that the power of sale under any Mortgage is exercised, then, in addition to the customary costs and expenses of operating and maintaining the Community, the party or parties succeeding to the interest of the Corporation in the Mortgaged Property (including the Master Trustee, if such party was to acquire the interest of the Corporation 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 Community, 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 loan payments due the Issuer under the Loan Agreements.

In case of any sale under the Deed of Trust, the Mortgaged Property may be sold as an entirety or in parcels, by one sale or by several sales, as may be deemed by the individual trustees to be appropriate and without regard to any right of the Corporation or any other person to the marshalling of assets (provided that all rights of residents under their respective Residency Agreement or other occupancy agreements continue in full force and effect and that the beneficiary under the Master Indenture and any purchaser accept and perform all of the Corporation's obligations under such Residency Agreement or other occupancy agreements).

The lien on the Mortgaged Property and lien on property granted under the Master Indenture provides limited security. The Community is not comprised of general purpose buildings and generally would not be suitable for industrial or commercial use. Additionally, parts of the Community require a license from the State to operate. The Community is intended to be used as an independent living facility for seniors and other types of senior living, such as personal care, skilled nursing care and health care services. Consequently, it would be difficult to find a buyer for the Community, and, upon any default, the Master Trustee may not realize the amount of the outstanding Bonds from the sale or lease of the Community in the event of sale following an Event of Default.

The security interests in revenues, income, receipts, cash, negotiable instruments and certain contract rights granted by the Corporation to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws which would, among other things, preclude enforceability of the security interest as to revenues arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to revenues arising prior to such commencement to the extent a security interest therein would constitute a voidable preference or fraudulent conveyance, (ii) rights of third parties in cash, securities and instruments arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any federal statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (v) claims that might obtain priority if continuation statements or financing statement amendments are not filed in accordance with applicable laws, (vi) the rights of holders of prior perfected security interests in equipment and other goods owned by the Corporation and in the proceeds of sale of such property, (vii) statutory liens and (viii) the rights of parties secured by permitted encumbrances. Accordingly, such security interest is expected to provide only limited value in the event of default.

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 Bonds. In addition, obligations other than the currently outstanding Master Obligations may be issued from time to time in the future pursuant to the Master Indenture. If and when issued, such obligations will be on a parity with the currently outstanding Master 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.

Any valuation of the Community is based on future projections of income, expenses, capitalization rates, and the availability of a partial or total property tax exemption. Additionally, the value of the Community will at all times be dependent upon many factors beyond the control of the Corporation, 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 the Community. Any weakened market condition may also depress the value of the Community. Any reduction in the market value of the Community could adversely affect the security available to the owners of the Bonds. There is no assurance that the amount available upon foreclosure or sale of the Community after the payment of costs will be sufficient to pay the amounts owing by the Corporation on the Bonds.

In the event of sale, 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 Corporation since such purchaser may not enjoy the favorable financing rates associated with the 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 or sale 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% of its fair market value in the event of sale. Although the Master Trustee will have available the remedy of public sale under the Master Indenture 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 sale, such as may be applicable in the event of the Corporation'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 Corporation's obligations.

In the event that the Mortgaged Property is sold pursuant to the Deed of Trust, 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 Corporation in the Mortgaged Property (including the Master Trustee, if such party or parties were to acquire the interest of the Corporation 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. **The Corporation has not made any representations to Bondholders regarding the current market value of its facilities and has not secured an appraisal in connection with the issuance of the Bonds.** See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Liens on Property" and "– Disposition of Property" in **APPENDIX D.**

Foreclosure Rights Under North Carolina Law

In North Carolina, foreclosure of a deed of trust is generally accomplished by a non-judicial trustee's sale under a specific provision in the deed of trust that authorizes the trustee to sell the mortgaged property to a third party upon default by the Corporation under the terms of the note or bond secured by the deed of trust or under the terms of the deed of trust.

In North Carolina, a sale of real property under a power of sale conferred by a deed of trust must be a public sale at auction held on any day other than a Sunday or legal holiday in the county in which the land is located (usually the county courthouse). Notice of the sale must be given at least 20 days before the date of the sale. The

Corporation, any successor in interest to the Corporation, or any beneficiary under a junior deed of trust or any other person having a subordinate lien or encumbrance, may pay, prior to the time fixed for a sale, or prior to the expiration of the time for submitting any upset bid after a sale has been held, the obligation secured by the deed of trust (e.g., the entire principal due as a result of the acceleration of the indebtedness secured by the deed of trust, with interest) and the expenses incurred with respect to the proposed sale or sale. In both a judicial and non-judicial foreclosure of a deed of trust, the beneficiary of the deed of trust under foreclosure need not bid cash at the sale, but may instead make a “credit bid” to the extent of the amount due under the deed of trust, including legally cognizable costs and expenses incurred in enforcing the deed of trust.

A sale conducted in accordance with the terms of the power of sale contained in a deed of trust is generally presumed to be conducted regularly and fairly, and a conveyance of the real property by the trustee confers legal title to the real property to the purchaser, but the purchaser takes the foreclosed property “as is” without any expressed or implied warranties, except as to warranties of title, and at purchaser’s own risk. The foreclosure, though, would eliminate all junior mortgages or deeds of trust and all other liens and claims subordinate to the deed of trust under which the sale is made.

Because of the difficulty a potential buyer at the sale would have in undertaking any due diligence regarding the mortgaged property (e.g., determining any liens or other encumbrances that may run with the property after foreclosure, assessing the physical condition of the property, etc.) a third party may not be likely to purchase the mortgaged property at a foreclosure sale, whether that sale is a judicial sale or a trustee’s sale. If a third-party does purchase the mortgaged property at a foreclosure sale, it may be for a purchase price less than the unpaid principal balance of the note, in which case the Corporation would remain liable for any deficiency remaining after the application of the proceeds of foreclosure to the outstanding debt (unless, in the case of a trustee’s sale, the Corporation can prove that the mortgaged property was worth the amount of the debt secured by it at the time and place of sale or the amount bid was substantially less than its true value). Perhaps more common is for the lender (or its designee) to purchase the mortgaged property from the trustee for an amount which may be as high as the unpaid principal balance of the note, plus accrued and unpaid interest and the costs and expenses of foreclosure. Thereafter, the lender will assume the burdens of ownership, including servicing any senior deed of trust, obtaining hazard insurance and making such repairs (at its own expense) as are necessary to render the mortgaged property suitable for sale.

Limited Value at Foreclosure

The Community has been specifically constructed for skilled nursing, assisted living, and senior independent living purposes. The number of entities that could be expected to purchase the Community at a foreclosure sale is limited, and thus the ability of the Master Trustee to realize funds from the sale of the Community for any use except as a skilled nursing, assisted living, and senior independent living facility, upon an event of default may be limited. Under State law, licenses to operate skilled nursing and assisted living facilities are not transferable. Accordingly, an entity purchasing the Community at a foreclosure sale would need to obtain its own license to operate the skilled nursing and assisted living portion of the Community.

Risks of Real Estate Investment

Ownership and operation of real estate, such as the Community, involves certain risks, including the risk of adverse changes in general economic and local conditions (such as the possible future oversupply and lagging demand for rental housing for the aged), adverse use of adjacent or neighboring real estate, initial and continued community acceptance of the Community, increased competition from other senior living facilities, changes in the cost of operation of the Community, difficulties or restrictions in the Corporation’s ability to raise rents charged, damage caused by adverse weather, climate change and delays in repairing such damage, population decreases, uninsured losses, failure of residents to pay rent, operating deficits and mortgage foreclosure, lack of attractiveness of the Community to residents, adverse changes in neighborhood values, and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Community, or any parts of the Community, become uninhabitable during restoration after damage or destruction, the residence units or common areas affected may not be available during the period of restoration, which could adversely affect the ability of the Corporation to generate sufficient revenues to pay debt service on the Bonds and the Master Obligations.

Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Community difficult or unattractive. These conditions may have an adverse effect on the demand for the services provided by the Community as well as the market price received for the Community in the event of a sale or foreclosure of the Community. Many other factors may adversely affect the operation of the Community and cannot be determined at this time.

See also “BONDHOLDERS’ RISKS – Local Tax Assessment Exemption.”

Uncertainty of Occupancy and Entrance and Service Fee Collection

As noted elsewhere, except to the extent that the Bonds will be payable from the proceeds of insurance, sale or condemnation awards, the Bonds will be payable solely from payments or prepayments to be made by the Corporation under the related Loan Agreement and Master Obligation. The ability of the Corporation to make payments under the related Loan Agreement and Master Obligation is dependent upon the generation by the Corporation of revenues in the amounts necessary for the Corporation to pay the principal, premium, if any, and interest on the Bonds, as well as other operating and capital expenses.

The financial feasibility of the Community and payment, when due, of the Bonds is dependent on the continuing ability of the Corporation to maintain high levels of occupancy of the Community and to (i) fill those facilities that accept residents who purchase the right to live there by paying Entrance Fees, (ii) collect new Entrance Fees from residents occupying apartment units vacated by deceased residents, residents permanently transferred to personal care or nursing care facilities operated by the Obligated Group or residents leaving such facilities for other reasons, and (iii) keep the Community substantially occupied by residents who can pay the full amount of the Entrance Fees and/or monthly service fees. This depends to some extent on factors outside the Corporation’s control, such as the residents’ right to terminate their Residency Agreements in accordance with the terms of the Residency Agreements and by general economic conditions. In particular, a depressed housing market may prevent prospective residents from selling their homes and generating cash to pay Entrance Fees. If the Community fails to maintain a high level of occupancy, there may be insufficient funds to pay debt service on the Bonds and any other outstanding Bonds and obligations. In addition, the economic feasibility of the Community also depends on the Corporation’s ability to remarket units becoming available when residents die, withdraw, or are permanently transferred to a healthcare facility, skilled nursing facility or any other facility.

Moreover, if a substantial number of independent living unit residents live beyond their anticipated life expectancies or if admissions or transfers to the health care components of the Community are substantially less than anticipated by the Corporation, or if market conditions or market changes prevent an increase in the amount of the resident Entrance Fees payable by new residents of the Community or the monthly fees payable by all residents, the receipt of additional resident Entrance Fees and/or monthly fees would be curtailed or limited, 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 care components of the Community.

It is assumed that regular increases in both Entrance Fees and monthly service fees will be necessary to offset increasing operating costs due primarily to inflation. There can be no assurance that such increases can or will be made or that increases in expenses will not be greater than assumed. Also, since many of the residents may be living on fixed incomes or incomes that do not readily change in response to changes in economic conditions, there can be no assurance that any such fee increases can be paid by residents or that such increases will not adversely affect the occupancy of the Community. While the Community can accept new residents unable to pay in full the Entrance Fees and monthly service fees, it intends to do so only to the extent of available funds to pay their expenses. It is possible that residents who unexpectedly become unable to make such payments would be allowed to remain residents, even though the costs of caring for them could have an adverse effect on the financial condition of the Corporation. As a non-profit tax-exempt organization, the Corporation may be unable or unwilling to require residents who lack adequate financial resources to leave the Community. In the future, the Corporation could possibly be required to accept residents unable to pay all fees or be required to provide services to a certain number of indigent persons unable to pay any fees, in order to maintain its tax-exempt status.

The Entrance Fees and monthly fees for the Community are described in **APPENDIX A** hereto. As set forth therein, the Corporation has set such fees based on, among other things, anticipated revenue needs and analysis of the market areas. If actual operating experience is substantially different from that anticipated, the revenues of the Corporation could be less than needed. Should methods of payment other than Entrance Fees, including straight rental, become prevalent as the form of payment for elderly housing, the ability to charge resident Entrance Fees to potential future residents may decrease. If this should happen, the Corporation may be forced to alter its method of charging for elderly housing services and could encounter a significant cash flow problem.

Approximately 100% of the Corporation's total revenues from operations for the Fiscal Year ended December 31, 2020 were attributable to private pay sources. Inflation or other circumstances that adversely affect the ability of residents to pay for the Corporation's services could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

There can be no assurance that the Corporation's revenues from operations will be sufficient to enable the Corporation to service its debt and meet its other obligations.

Accounting Changes

From time to time, accounting policies and procedures change based upon mandatory authoritative guidance updates to generally accepted accounting principles in the United States of America. Such changes may cause a variation in the presentation of the financial information of the Corporation. All calculations required to be made under the Master Indenture may be made, at the option of the Obligated Group, on the basis of generally accepted accounting principles at the time in effect (so long as such principles are applied consistently).

Sale of Homes

The number of persons who can afford payment of the monthly service fees may be affected by general economic conditions. It is anticipated that a number of prospective residents of the Community 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. Should 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 obligations under their Residency Agreements, thereby causing a delay in the remarketing of vacated units, which could have an adverse effect on the revenues of the Corporation.

Nature of Income and Assets of the Elderly

A large percentage of the monthly income of the residents of the Community 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 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 Corporation'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 Corporation to pay amounts due under the related Loan Agreement and Master Obligation.

Utilization Demand

Several factors could, if implemented, affect demand for services provided at the Community including: (i) efforts by insurers and governmental agencies to reduce utilization of skilled nursing home and long-term care facilities by such means as preventive medicine and home health care programs; (ii) advances in scientific and medical technology; (iii) a decline in the population, a change in the age composition of the population or a decline in the economic conditions of the service area for the Community; and (iv) increased or more effective competition from retirement communities and long-term care facilities now or hereafter located in the service area of the Community.

Impact of Market Turmoil

Economic and market turmoil has had, and may in the future have, negative repercussions upon the United States and global economies, including a scarcity of credit, lack of consumer or investor confidence, volatility in the financial markets, fluctuations in interest rates, reduced economic activity, increased business failures and increased consumer and business bankruptcies. Uncertain market conditions have affected investment earnings and the value of the Obligated Group's investments and those of residents and prospective residents, as well as future investment earnings. Further, sales of residential real estate are typically negatively impacted. As a result, prospective residents of the Community may encounter difficulty in liquidating investments and selling homes in order to raise necessary cash to pay their Entrance Fees and monthly service fees. When investor confidence has waned, investments previously recognized as stable, such as tax-exempt money market funds (which are one of the largest purchasers of tax-exempt bonds), have at times experienced significant withdrawals. Such circumstances could adversely affect the market and demand for the Bonds.

Infectious Disease Outbreak

The Corporation's business and financial results could be harmed by a national or localized outbreak of a highly contagious or epidemic disease.

COVID-19, a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization on March 11, 2021. COVID-19 has affected travel, commerce, and financial markets globally and is impacting capital markets and economic growth internationally. Various states, including North Carolina, and local governments have issued orders and guidance that mandate or strongly encourage social distancing, face coverings and closed or limited non-essential business activities in an effort to slow the spread of COVID-19. Although most of these restrictions have been lifted on a state-wide basis in North Carolina, certain communities are reinstating some of these restrictions amid worsening conditions and it is possible they will be reinstated on a state-wide basis. These actions have had, and are likely to continue to have, a material adverse impact on economic conditions throughout much of the world, including the United States and the State of North Carolina.

The COVID-19 outbreak has affected, and is expected to continue to affect in the future, travel, commerce, businesses, and financial markets globally. Although the potential long-term impacts of COVID-19 on the Community cannot be predicted at this time, the continued spread of COVID-19, its economic impacts, and the governmental response to the same could have a material adverse effect on the Community. See "THE COMMUNITY – Covid-19" in **APPENDIX A** hereto.

Although there have not to date been significant impacts upon Phase II Expansion preparations, it is possible that COVID-19, its economic impacts, and the governmental response to the same could have material adverse impacts on the progress of construction projects including the Phase II Expansion. See "PHASE II EXPANSION" in **APPENDIX A** hereto.

In general, if an outbreak of an infectious disease such as COVID-19, the Zika virus or the Ebola virus occurs or reoccurs nationally or in the Corporation's service area, its business and financial results would likely be adversely affected. The spread of a highly contagious disease into one of the Corporation's facilities may result in a temporary shutdown, diversion of residents, and/or other losses and liabilities. In addition, unaffected individuals may decide to defer or reconsider decisions to enter the Community. The Corporation, as a retirement community, may be particularly susceptible to risk of outbreak due to the relatively close proximity of residents and staff to one another. The Corporation cannot predict all costs associated with any infectious disease outbreak affecting the Community.

Potential Refund of Entrance Fees

Under certain circumstances, the Corporation is obligated to refund all or a portion of a resident's Entrance Fee upon the resident's departure from the Community based on certain conditions. The payment of such refunds could adversely affect the Corporation's ability to make payments required by the Loan Agreements, the Bonds and

the related Master Obligations. Pursuant to current Residency Agreements of the Corporation, the Corporation is not required to refund entrance fees until the next resale of a similar unit. See “THE COMMUNITY – Residency Agreements” in **APPENDIX A** hereto.

Discounting of Entrance Fees

The Obligated Group may feel compelled to offer discounts to Entrance Fees in the future to achieve desired levels of occupancy of the Phase II Expansion. Discounting of Entrance Fees could significantly affect the cash flow of the Obligated Group and have a material adverse effect on the ability of the Obligated Group to make to make payments required by the Loan Agreements, the Bonds and the Master Obligations and the other indebtedness of the Obligated Group.

Rights of Residents

The Corporation enters into Residency Agreements with its residents. For more information about the Residency Agreements, see “THE COMMUNITY – Residency Agreements” in **APPENDIX A** hereto. Although the Residency Agreements give to each resident a contractual right to use space and not any ownership rights in the Community, in the event that the Bond Trustee or the holders of the Bonds seek to enforce any of the remedies provided by a related Bond Indenture upon the occurrence of a default or the Master Trustee seeks to enforce remedies under the Master Indenture, it is impossible to predict the resolution that a court might make of competing claims among the Master Trustee, the Bond Trustee, the Issuer or the holders of the Bonds and a resident of the Community who has fully complied with all the terms and conditions of his or her Residency Agreement.

Competition

The Community is located in an area where other competitive facilities exist, and may in the future be developed. The Community may also face additional 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 Community. 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 necessarily similar services, at lower prices. In addition, there are few entry barriers to future competitors because competing facilities generally do not require a certificate of need approval for independent living facilities, although continuing care facilities would be required to obtain appropriate licensure from the State of North Carolina. All of these factors combine to make the elderly housing industry volatile and subject to material change that cannot be currently predicted. For more information about competition in the service area of the Community, see the “FINANCIAL FEASIBILITY STUDY” in **APPENDIX C** hereto. The Financial Feasibility Study should be read in its entirety.

General Risks of Long-Term Care Facilities

There are many diverse factors not within the Obligated Group’s control that have a substantial bearing on the risks generally incident to the operation of its Facilities. These factors include regulatory imposed fiscal policies, adverse use of adjacent or neighboring real estate, the ability to maintain the Community, community acceptance of the Community, changes in demand for the Community, changes in the number of competing facilities, changes in the costs of operation of the Community, changes in the laws of the State affecting long-term care programs, the limited income of the elderly, changes in the long-term care and health care industries, difficulties in or restrictions on the Corporation’s ability to raise rates charged, general economic conditions and the availability of working capital. In recent years, a number of long-term care facilities throughout the United States have defaulted on various financing obligations or otherwise have failed to perform as originally expected. There can be no assurance that the Corporation will not experience one or more of the adverse factors that caused other facilities to struggle or fail. Certain other factors that cannot be determined at this time also may adversely affect the operation of facilities like the Community.

New and changing methods of care delivery, such as web-based home monitoring, telemedicine, mobile health, and smartphone technology will likely change the way in which providers of health services to the elderly

deliver home health, hospice and other community-based services. These developments will further the ability of the home health and hospice industry to care for patients in their homes. The proliferation and availability of technological changes are expected to increase the ability of the elderly to remain in their homes longer into their lives than has historically been feasible, which could result in significantly reduced demand for communities such as the Community. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies. These changes may allow other companies, including hospitals and other healthcare organizations that are not currently providing home health and hospice care, to expand their services to include home health services, hospice care or similar services. The Obligated Group may encounter increased competition in the future that could negatively impact patient referrals to it, limit its ability to maintain or increase its market position and adversely affect the Obligated Group's financial performance.

Additions and Changes in the Obligated Group

The Master Indenture allows the Corporation, in certain circumstances, to add members to the Obligated Group. Although any entity that becomes an Obligated Group Member is required to guarantee or to assume joint and several liability for the Master Obligations issued under the Master Indenture, the enforceability of the guaranty or assumption may be limited under the Federal Bankruptcy Code or the Georgia or North Carolina Uniform Voidable Transaction Act or similar laws affecting creditors' rights if the Obligated Group Member was insolvent or undercapitalized at the time of (or became insolvent or undercapitalized by reason of) the guaranty or assumption and did not receive "reasonably equivalent value" for the guaranty or assumption.

When an entity becomes an Obligated Group Member, the allowable amount of debt which may be incurred under the Master Indenture by the Obligated Group Members may increase because the amount of such debt that the Obligated Group Members may incur is based on the historical or projected combined revenues of the Obligated Group Members. If an Obligated Group Member incurred additional debt based upon the revenues of another Obligated Group Member whose guaranty or assumption subsequently was held unenforceable, the interests of the owners of the Bonds would be diluted, because all outstanding debt then must be paid from a diminished, legally accessible flow of revenues.

Availability and Enforceability of Remedies

The remedies available to the Bond Trustee, the Master Trustee and the Bondholders upon an event of default under the Bond Indentures and the Master Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Bond Indentures and the Master Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principals of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors' generally and laws relating to fraudulent conveyances.

The security interest in Revenues granted by the Obligated Group Members to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws which could, among other things, preclude enforceability of the security interest as to Revenues arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to Revenues arising prior to such commencement, to the extent a security interest therein would constitute a voidable preference, (ii) rights of third parties in cash, securities and instruments not in possession of the Master Trustee, including accounts and general intangibles converted to cash, (iii) rights arising in favor of the United States of America or any agency thereof, (iv) present or future prohibitions against assignment in any federal statutes or regulations, (v) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (vi) claims that might obtain priority if continuation statements are not filed in accordance with applicable laws, (vii) the rights of holders of prior perfected security interest in equipment and other goods owned by the Obligated Group Members and in the proceeds of sale of such property, (viii) statutory liens, and (ix) the rights of parties secured by Permitted Encumbrances (as defined in **APPENDIX D** hereto). If an event of default does occur, it is uncertain that the Master Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Bonds. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Defaults and Remedies" in **APPENDIX D** hereto.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Corporation and any future Member of the Obligated Group under the Master 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 Corporation 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 Master Obligations, including the Master Obligations pledged under the related Bond Indentures as security for the related series of Bonds. The obligations described herein of the Obligated Group to make payments of debt service on Master 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 (a) are requested with respect to payments on any Master 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; (b) 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; (c) 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 (d) 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 (b) and (c) above with respect to the Master 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 Master Obligation, or portion thereof, the proceeds of which were not lent 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 the Master 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 Georgia fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under the Georgia or North Carolina Uniform Voidable Transaction Act 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 Georgia or North Carolina 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 a Master 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 Master Obligation has rendered or will render the such member insolvent.

The effectiveness of the security interest in the Obligated Group's Gross Revenues granted in the Master Indenture may be limited by a number of factors, including: (i) present or future prohibitions against assignment contained in any applicable statutes or regulations; (ii) certain judicial decisions which cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any Member of the Obligated Group, to collect and retain accounts receivable from Medicare, general assistance and other governmental programs; (iii) commingling of the proceeds of Gross Revenues with other moneys of a Member of the Obligated Group not subject to the security

interest in Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws which may affect the enforceability of the Master Indenture or the security interest in the Gross Revenues of the Obligated Group which are earned by the Obligated Group within 90 days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against a Member of the Obligated Group; (viii) rights of third parties in Gross Revenues converted to cash and not in the possession of the Master Trustee; and (ix) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Georgia or North Carolina Uniform Commercial Code as from time to time in effect.

Pursuant to the Master Indenture, each Member of the Obligated Group who 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 a Master 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.

Bankruptcy

If the Corporation were to file a petition for relief under the Federal Bankruptcy Code, its revenues and certain of its accounts receivable and other property acquired after the filing (and under certain conditions some or all thereof acquired within 120 days prior to the filing) would not be subject to the security interests created under the Master Indenture. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Corporation and its property and as an automatic stay of any act or proceeding to enforce a lien upon its property. If the bankruptcy court so ordered, the Corporation's property, including their accounts receivable and proceeds thereof, could be used for the benefit of the Corporation despite the security interest of the Master Trustee therein, provided that "adequate protection" is given to the lienholder.

In a bankruptcy proceeding, the petitioner could file a plan for the adjustment of its debts which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. 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. Certain judicial decisions have cast doubt upon the right of a trustee, in the event of a health care facility's bankruptcy, to collect and retain for the benefit of bondholders portions of revenues consisting of Medicare and other governmental receivables.

On April 20, 2005, the Healthcare Bankruptcy Bill was enacted (the "Healthcare Bankruptcy Act"). The stated goal of the Healthcare Bankruptcy Act was to encourage healthcare companies to consider the patients' rights and interests when administering their bankruptcy cases related to (1) disposal of patient records, (2) transferring patients to new facilities, (3) appointment of a patient ombudsman, and (4) exclusions of a debtor from Medicare and other federal healthcare programs.

In the event of bankruptcy of the Corporation, there is no assurance that certain covenants, including tax covenants, contained in the Bond Indentures, the Loan Agreements, the Master Indenture and certain other documents would survive. Accordingly, the Corporation, as debtor in possession, or a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the Bonds from gross income of the Owners for federal income tax purposes.

Personnel

In early 2021 the employees at the Community were moved from the Manager to the Corporation. The Corporation employed 72 full-time employees and 42 part-time employees, for a total of 114 full time equivalent employees as of August 1, 2021. Management of the Corporation believes that its salary and benefits package is competitive with other comparable institutions in the respective areas in which the Corporation operates and that its employee relations are satisfactory. The health care industry has at times experienced a shortage of qualified health care personnel. The Corporation competes with other health care providers and with non-health care providers for both professional and nonprofessional employees. The Corporation, like many similar institutions, has experienced turnover with its personnel. However, while the Corporation has been able to retain the services of an adequate number of qualified personnel to staff the Community appropriately and maintain its standards of quality care, there can be no assurance that continued shortages will not in the future affect its ability to attract and maintain an adequate staff of qualified health care personnel. In particular, the Community had staff turnover of approximately 71% during fiscal year 2020. This is a decrease of 32% from 2019. Much of the staff turnover is limited to hourly-paid workers. In recent years the persons occupying many of the management level positions within the Community has been stable, including the Executive Director, the Chief Financial Officer, the Director of Sales and Marketing, the Director of Environmental Services, the Director of Life Enrichment, and the Director of Grounds. A lack of qualified personnel could result in significant increases in labor costs or otherwise adversely affect its operating results.

Organized Resident Activity

The Corporation may, from time to time, be subject to pressure from organized groups of residents seeking, among other things, to raise the level of services or to maintain the level of monthly service fees with respect to the Community or other charges without increase. Moreover, the Corporation may be subject to conflicting pressures from different groups of residents, some of whom may seek an increase in the level of services while others wish to hold down monthly service fees and other charges. No assurance can be given that the Corporation will be able satisfactorily to meet the needs of such resident groups.

Increases of Medical Costs

The cost of providing healthcare services may increase due to many reasons, including increases in salaries paid to nurses and other healthcare personnel and shortages in such personnel that may require the use of employment agencies.

Professional Liability Claims and Losses

The Obligated Group maintains professional and general liability insurance through GuideOne Specialty Mutual Insurance, which is rated “A” by A.M. Best Company. The operations of the Obligated Group may be affected by increases in the incidence of professional liability lawsuits against elder care facilities and care providers in general and by increases in the dollar amount of client damage recoveries. These may result in increased insurance premiums and an increased difficulty in obtaining or renewing professional liability insurance. It is not possible at this time to determine either the extent to which professional liability coverage will continue to be available to the Obligated Group or the premiums at which such coverage can be obtained.

Insurance and Legal Proceedings

The provision of personal and health care services entails an inherent risk of liability. In recent years, participants in the senior living and health care services industry have become subject to an increasing number of lawsuits alleging negligence, malpractice or related legal theories, many of which involve large claims and result in the incurrence of significant defense costs. The Corporation carries insurance coverage in amounts deemed adequate by management and consistent with other comparable institutions. However, there can be no assurance that any current or future claims will not be covered by or exceed applicable insurance coverage. A claim against the Corporation not covered by, or in excess of, the Corporation’s insurance could have a material adverse effect upon the Corporation.

In addition, the Corporation's insurance policies must be renewed annually. Because the increased litigation in the retirement and nursing care business has resulted in increased insurance premiums and an increased difficulty in obtaining insurance at reasonable rates, there can be no assurance that insurance coverage will continue to be available to the Corporation at reasonable premiums, if at all.

In its role as an owner and operator of real properties, the Obligated Group may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its real property, including any such substances that may have migrated off of its real property. In addition, the Corporation's operations include the handling, use, storage and disposal of hazardous, infectious and toxic materials and wastes. Such handling, use or release by the Corporation may produce risks of damage to individuals, property or the environment; interruption of operations or increased costs; legal liability, damages, injunctions or fines, or the triggering of investigations, administrative proceedings, penalties or other government agency actions. There can be no assurance that the Corporation will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of the Corporation. The Corporation is not aware of any environmental liability with respect to any of its properties that it believes would have a material adverse effect on the Corporation's business, financial condition, or results of operations. The Corporation believes that its operations and Facilities are in compliance in all material respects with all federal, state, and local laws, ordinances, and regulations regarding hazardous or toxic substances or petroleum products.

The Corporation currently is not a party to any legal proceeding that its management believes would have a material adverse effect on its business, financial condition, or results of operations.

Nursing Shortage

The healthcare industry has experienced a shortage of nursing staff that has resulted in increased costs for healthcare providers due to the need to hire agency nursing personnel at higher rates. Even though the Community has not experienced such a shortage in recent history, if the nursing shortage continues, it could possibly adversely affect the Community's operations or financial condition. The Community's management believes that it will be able to retain current personnel and hire any additional required staff, but the presence of other health care providers may make it difficult over time to attract and retain skilled personnel. If the Community's management is forced to employ temporary staff through employment agencies, its employment costs will be substantially increased.

Health Care Reform

The continued evolution of health care reform law at the federal level has had the effect of imposing certain expanded contracting requirements on long-term care facilities, including requirements regarding coordination of care with hospitals and hospital systems. Health care reform remains subject to significant legislative debate and regulatory action as well as to legal challenges that lead to judicial action. Legislation is periodically introduced in Congress and in the North Carolina legislature that could result in limitations on revenues, reimbursements, or charges for health care facilities. In summary, it is impossible to predict the future impact on the Community of statutory and regulatory changes.

The "Patient Protection and Affordable Care Act" and "The Health Care and Education Affordability Reconciliation Act of 2010" (together referred to herein as the "Health Reform Act") were enacted in March 2010, but soon after became the subject of court challenges and efforts to repeal or modify its substantive provisions. On June 20, 2012, the U.S. Supreme Court upheld most of the provisions of the Health Reform Act but rejected a requirement that states significantly expand Medicaid eligibility. Instead, each state must determine whether federal financial incentives included in the Health Reform Act merit expanding its Medicaid program.

Some of the provisions of the Health Reform Act took effect immediately while others have been phased in over time. Because of the complexity of the Health Reform Act generally additional legislation modifying or repealing portions of the Act is likely to be considered and enacted over time. New guidelines and regulations related to the Health Reform Act will also likely be enacted. It is impossible to predict what, if any, such new guidelines and regulations will entail or how they may affect the Obligated Group, its operations or its financial condition.

The Health Reform Act was designed to introduce changes with respect to how consumers will pay for their own and their families' health care and how employers will procure health insurance for their employees. In addition, the Health Reform Act required insurers to change certain underwriting practices and benefit structures in order to cover individuals who previously would have been ineligible for health insurance coverage. As a result, there was expected to be a significant increase in the number of individuals eligible for health insurance coverage.

The overall stated goal of the Health Reform Act was to provide access to health insurance coverage to an additional 32 million people. The legislation intended to accomplish this objective through various provisions, including: (i) creating active markets (referred to as exchanges) in which individuals and small employers can purchase health insurance for themselves and their families or their employees and dependents, (ii) providing subsidies for premium costs to individuals and families based upon their income relative to the federal poverty levels, (iii) mandating that individuals obtain, and certain employers provide, a minimum level of health insurance, and providing penalties or taxes on individuals and employers that do not comply with these mandates, (iv) expansion of private commercial insurance coverage generally through reforms such as prohibitions on denials of coverage for pre-existing conditions and elimination of lifetime or annual cost caps, and (v) expanding existing public programs, including Medicaid, for individuals and families.

Some of the specific provisions of the Health Reform Act that may affect the Obligated Group's operations, financial performance or financial condition include the following (this listing is not, is not intended to be, nor should be considered to be comprehensive):

- With varying effective dates, the annual Medicare market basket updates for many providers, including skilled nursing, have been and will continue to be reduced, and adjustments to payment for expected productivity gains would be implemented.
- The Health Reform Act included the Communities Living Assistance Services and Supports (CLASS) Act, which attempted to create a national, voluntary, long-term care insurance program to supplement Medicaid and provide long term care insurance. The CLASS Act was repealed as part of the American Taxpayer Relief Act of 2012, signed by the President on January 2, 2013.
- With varying effective dates, the Health Reform Act mandates a reduction of waste, fraud and abuse in public programs by allowing provider enrollment screening, enhanced oversight periods for new providers and suppliers, and enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, and by requiring Medicare and Medicaid program providers and suppliers to establish compliance programs. The legislation requires the development of a database to capture and share healthcare provider data across federal healthcare programs and also provides for increased penalties for fraud and abuse violations, and increased funding for anti-fraud activities.
- A 15-member Independent Payment Advisory Board was established to develop proposals to improve the quality of care and limitations on Medicare cost increases. Those proposals would be automatically implemented if Congress does not act to invalidate them.

The Health Reform Act provides for the implementation of various demonstration programs and pilot projects to test, evaluate, encourage and expand new payment structures and methodologies to reduce health care expenditures while maintaining or improving quality of care, including bundled payments under Medicare and Medicaid, and comparative effectiveness research programs that compare the clinical effectiveness of medical treatments and develop recommendations concerning practice guidelines and coverage determinations. Other provisions encourage the creation of new health care delivery programs, such as accountable care organizations, or combinations of provider organizations, that voluntarily meet quality thresholds to share in the cost savings they achieve for the Medicare program. The Health Reform Act also provides funding for establishment of a national electronic health records system. The outcomes of these projects and programs, including their effect on payments to providers and financial performance, cannot be predicted.

The Health Reform Act also includes The Elder Justice Act which provides funding for adult protective services aimed at elder abuse prevention and enhanced investigation of elder abuse and neglect. It became effective

on March 23, 2010. The Elder Justice Act requires prompt reporting to the Department of Health and Human Services (“DHHS”) by long term care facilities who receive at least \$10,000 per year in federal funds of any reasonable suspicion of a crime, as defined by local law, occurring at the long term care facility. This includes Medicare fraud and abuse. Reports are required to be made not later than two hours after forming the suspicion when serious physical injury occurs, and not later than 24 hours after forming suspicion where serious bodily injury was not involved. “Serious bodily injury” is not defined by the Elder Justice Act. Failure to report is subject to penalties up to \$200,000 plus potential exclusion from federal programs. Stricter penalties apply if delay led to further injury.

The Health Reform Act also includes the Patient Safety and Abuse Prevention Act which authorizes DHHS to create a national program to identify best practices for background checks on long term care facility employees who have direct access to patients. The Patient Safety and Abuse Prevention Act creates grants for states who wish to participate in the creation of a nationwide program.

The Health Reform Act and its implementation have been, and remain, politically controversial. Accordingly, the Health Reform Act has repeatedly faced legal and legislative challenges, including repeated repeal efforts, and executive branch actions to alter the emphasis or pace of reform. Management of the Community cannot predict the impact that any significant changes in the Health Reform Act may have on the health care industry generally or the Community in particular. Currently, the Community is 100% private pay and does not receive funds from Medicare or other federal or state payer programs. However, changes in Medicare and other federal or state payer programs on the health care industry may have indirect impacts on the operations and revenues of the members of the Obligated Group, which may include new requirements and other factors increasing their operating expenses.

State Regulatory Issues

Continuing Care Retirement Communities. Article 64 of Chapter 58 of the North Carolina General Statutes, as amended (the “CCRC Act”) governs the provision of continuing care, defined by the CCRC Act as the furnishing to an individual other than an individual related by blood, marriage, or adoption to the person furnishing the care, of lodging together with nursing services, medical services, or other health related services, under a contract approved by the North Carolina Department of Insurance (the “DOI”) in accordance with the CCRC Act effective for the life of the individual or for a period longer than one year. The Corporation is required to be licensed under the CCRC Act as a provider of continuing care. The CCRC Act creates specific requirements for disclosure statements and contracts for continuing care, restricts the use of entrance fees, provides for civil liability for violations of the disclosure requirements, and provides for criminal penalties for willful violations of the CCRC Act.

State Delinquency Proceedings. Section 58-64-45 of the General Statutes of North Carolina, as amended, grants the DOI broad discretionary powers to supervise and, upon court order, to rehabilitate or liquidate any continuing care facility that becomes bankrupt or insolvent or otherwise fails to satisfy certain statutory standards. In the event that DOI commences a delinquency proceeding against the Corporation pursuant to the provisions of Section 58-30-1 et seq. of the General Statutes of North Carolina, as amended, DOI may be authorized by court order to take possession and control of all or a part of the property of the Corporation, including, without limitation, the Revenues and the Mortgaged Property, and the Master Trustee may be delayed, limited or precluded in the enforcement of remedies otherwise available to the Master Trustee under the terms of the Master Indenture and the Deeds of Trust. In addition, in the event of liquidation of the Corporation, under Section 58-64-60, residents’ Residency Agreements are deemed preferred claims against all assets owned by the Corporation, except secured claims and the liquidator’s cost of administration.

Independent Living Units. Independent living apartments or facilities are not currently subject to a licensure requirement in North Carolina. As a result, there is no legal definition of this type of facility. Such facilities tend to provide independent living accommodations, communal meals, housekeeping and concierge services. Independent living facilities neither offer nor arrange for assistance with daily living activities, health assessments or continuing intermittent health care services.

Assisted Living Units. The Assisted Living Units must be licensed by the North Carolina Department of Health and Human Services (“NCDHHS”) as an “adult care home” in accordance with Article 1 of Chapter 131D of

the North Carolina General Statutes (the “Assisted Living Act”), which is defined as assisted living residence in which the housing management provides 24-hour scheduled and unscheduled personal care services to two or more residents, either directly or for scheduled needs, through formal written agreement with licensed home care or hospice agencies. NCDHHS inspects adult care homes, and the Secretary of NCDHHS may suspend or revoke the license of an adult care home, or suspend the admission of any new residents to an adult care home, where the conditions of the adult care home are detrimental to the health or safety of the residents.

Skilled Nursing Beds. The Skilled Nursing Beds must be licensed by NCDHHS as an “nursing home” in accordance with Part 1 of Article 6 of Chapter 131E of the North Carolina General Statutes, as amended (the “Nursing Home Licensure Act”), which is defined as facility, however named, which is advertised, announced, or maintained for the express or implied purpose of providing nursing or convalescent care for three or more persons unrelated to the licensee. A “nursing home” provides care for persons who have remedial ailments or other ailments, for which medical and nursing care are indicated; who, however, are not sick enough to require general hospital care. NCDHHS inspects nursing homes, and the Secretary of NCDHHS may suspend or revoke the license of a nursing home, or suspend the admission of any new patients at a nursing home, where the conditions of the nursing home are detrimental to the health or safety of the patients.

Residents’/Patients’ Bill of Rights. Residents occupying the Assisted Living Units and the Skilled Nursing Beds are protected by the Adult Care Home Residents’ Bill of Rights, pursuant to Section 131D-19 et seq. of the General Statutes of North Carolina, and the Nursing Home Patients’ Bill of Rights, pursuant to Section 131E-115 et seq. of the General Statutes of North Carolina, respectively. The Adult Care Home Residents’ Bill of Rights provides that beneficiaries shall have the right, among other things, to receive a copy of the section of the statute containing their list of rights upon admission, to receive reasonable responses to their requests and to examine any account of personal funds managed by the Corporation at any time. Similarly, the Nursing Home Patients’ Bill of Rights provides that beneficiaries shall have the right, among other things, to receive reasonable responses to their requests, to present grievances, to be transferred or discharged only for limited reasons and to receive statements of any account of personal funds of the resident managed by the Corporation. Injunctive remedies and administrative monetary penalties can be imposed for violation of either the Adult Care Home Residents’ or Nursing Home Patients’ Bill of Rights, and such a violation could result in the revocation of the Corporation’s licenses to operate the Brittany Place Healthcare Center.

Certificate of Need. Under the North Carolina Certificate of Need Law (the “CON Law”), the Corporation cannot make capital expenditures or incur financial obligations relating to health care exceeding \$2,000,000, increase the number of, or relocate, health care beds, including assisted living beds, effect a change of more than 15% of approved capital expenditures during development or within a year of completion of a project for which a CON has already been issued, change its nursing care or assisted living bed capacity or materially deviate from the proposed scope of an approved project or violate conditions imposed in the CON for such a project without securing a certificate of need (“CON”) from the NCDHHS.

CONs will be required both as to any additional Adult Care (assisted living) and as to any skilled nursing beds which are a part of the Phase II Expansion. It is currently contemplated that the Phase II Expansion will include 29 additional Adult Care (assisted living) beds and 24 additional skilled nursing beds. So long as admissions to those additional Adult Care (assisted living) and skilled nursing beds are limited to persons already residing in the Community, under the CON Law the process for obtaining a CON is less stringent than it would be if “direct admits” to the Adult Care (assisted living) or skilled nursing beds were allowed.

The Corporation does not yet have the CONs required for the Phase II Expansion assisted living or skilled nursing beds and will not have the CONs before the Bonds are sold. Pursuant to the provisions of the Disbursement Agreement, no proceeds of the Bonds are permitted to be requested or disbursed for any portion of the Phase II Expansion relating to the assisted living or skilled nursing beds until the Corporation has received the CONs. The current status of the Corporation’s licensure and CON process is described under “PHASE II EXPANSION – Licensure” in APPENDIX A hereto.

The CON Law provides that a CON may contain a timetable for completing an approved project and offering services, as well as a maximum budget for the project. If NCDHHS determines that the holder of a CON is making a good faith effort to meet the timetable, at the request of the holder of the CON, NCDHHS may extend the

timetable for a specified period. NCDHHS may take action to withdraw a CON in the event the holder of a CON does not submit to NCDHHS required progress reports or after reviewing the progress NCDHHS determines that the holder of the CON is not meeting the timetable and the holder of the CON cannot demonstrate that it is making good faith efforts to meet the timetable.

The Corporation is contractually obligated to provide health care to its residents pursuant to its Residency Agreements. To the extent it may need additional nursing care or assisted living beds, the ability to obtain such beds may be restricted by the CON Law. Any failure to obtain a CON for needed beds could require the Corporation to contract with outside providers for the required services.

Recently, some states have amended their certificate of need laws to reduce or remove the restrictions imposed with respect to undertaking covered activities or expenditures related to health care facilities. In each of these states there were substantial increases in the number of health care facilities providing services in major urban areas. There have recently been some unsuccessful efforts in the North Carolina General Assembly to amend the CON Law in a similar manner. If the CON Law is so amended in the future, the Corporation could experience increased competition for certain health care services it currently provides, or their revenues from such services could decline, or both. In addition, the CON Law may be amended in the future to increase or decrease the regulatory restrictions and resulting costs. For all of these reasons, the CON Law could adversely affect the revenues of the Corporation and may be changed in the future in ways that are adverse to the Corporation.

State Restrictions on Withdrawals from an Operating Reserve Fund

Funds held in an Operating Reserve Fund, including the Phase II Operating Reserve Fund, are permitted to be included in computing Days Cash on Hand. The Phase II Operating Reserve Fund is intended to assist with satisfying the requirement in the CCRC Act for maintaining cash reserves. While the CCRC Act does not require that money be held in segregated funds, to the extent that funds held in an Operating Reserve Fund are deemed to satisfy the statutory cash reserves, the CCRC Act provides that withdrawals must be approved by DOI. Such requests must be submitted in writing for DOI to review at least 10 Business Days prior to the date of withdrawal of such funds. If such approval is required or there are delays in obtaining approval or approval is denied, moneys held in an Operating Reserve Fund may not be available to pay operating expenses or debt service on the Master Obligations.

Third-Party Payments

The Corporation does not presently participate, and does not plan in the future to participate, in the Medicare or Medicaid programs. The CONs for Brittany Place provide that neither the nursing facility beds nor the adult care home beds within Brittany Place may be certified for participation in the Medicaid program.

Local Ad Valorem Property Tax Exemption

Pursuant to Section 105-278.6A of the North Carolina General Statutes, as amended, the Corporation's buildings, the land it actually occupies, additional adjacent land reasonably necessary for the convenient use of the buildings, and the personal property used in the operation of its continuing care retirement facility, are intended to constitute a special class of property, to be excluded from ad valorem property taxation to the extent provided in such statute. The amount of the assessed value of the Corporation's continuing care retirement facility property excluded depends on the amount of "charity care" and "community benefits" (as those terms are defined in the statute) provided by the Corporation. The Corporation intends to qualify for a total exclusion by providing charity care and/or community benefits equal to at least five percent of the Community's resident revenue (annual revenue paid by a resident for goods and services and one year's share of the initial resident fee amortized in accordance with generally accepted accounting principles) through an affiliation agreement with LSA. See "THE COMMUNITY – LSA Affiliation Agreement" in **APPENDIX A** hereto.

The portion of the Mortgaged Property currently operated as the Community and the Phase II Expansion Site has been determined to be exempt from ad valorem property taxation to the extent provided in the statute. Even though the Corporation's property currently qualifies for a total ad valorem property tax exemption, the Corporation

must re-apply for such exemption each year and the Corporation's property could be subject to ad valorem property taxation in the future. Loss of an ad valorem property tax exemption as to a portion, or all, of its property would have an adverse effect on the Corporation.

Local Sales Taxes

Purchases by Corporation. The Corporation is eligible for refunds of any North Carolina sales and use taxes paid on purchases of building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the Corporation, due to its status as a 501(c)(3) organization. Failure to receive such refunds would have an adverse effect on the Corporation.

Sales by Corporation. The Corporation is aware of recent activity by the North Carolina Department of Revenue in a sales and use tax examination of at least one other continuing care retirement community, wherein the Department of Revenue has taken the position that (1) the community is a "retailer;" i.e., a person engaged in business of making sales at retail, (2) at least some of the goods and services the community provides to residents are subject to the North Carolina state and local sales tax, and (3) as a retailer, the community is obligated to collect from its residents the applicable sales tax and to remit to the Department of Revenue the sales tax so collected. Among the goods and services provided to community residents that the Department of Revenue maintains are subject to the sales tax are: food and beverages; admission to entertainment activities; laundry; medical and incontinence supplies; oxygen; and keys, badges, fobs, and pendants. The current combined state and local sales tax rate in Cary, Wake County, North Carolina is 7.25%.

Under the North Carolina statutes, where a taxable item and a non-taxable item are sold to a purchaser as a single transaction for which there is one nonitemized price, under circumstances where the purchaser has no option except to purchase the two or more items together, the transaction is a "bundled transaction" and the sales tax applies to the entire sales price of the bundled transaction unless one of the following exceptions applies:

- The "bundle" consists of only tangible personal property, the "bundle" includes one or more of certain exempt items (exempt food, exempt drugs, exempt medical devices, equipment, or supplies), and the price of the taxable tangible personal property in the "bundle" does not exceed 50% of the price of the "bundle;"
- The "bundle" includes a service, and the retailer determines an allocated price for each item in the "bundle" based on a reasonable allocation of revenue that is supported by the retailer's business records kept in the ordinary course of business (in this circumstance, sales tax applies to the allocated price of each taxable item in the "bundle");
- The price of the taxable items in the "bundle" does not exceed 10% of the price of the bundle;
- The bundle includes a prepaid meal plan and a dollar value that declines with use (in this circumstance, sales tax applies to the allocated price of the prepaid meal plan); or
- Under the "true object" test, either:
 - The "bundle" consists of tangible personal property and a service, where the tangible personal property is essential to the use of the service and is provided exclusively in connection with the service, and the true object of the transaction is the service, or
 - The "bundle" consists of services, where one service is provided that is essential to the use or receipt of a second service and the first service is provided exclusively in connection with the second service, and the true object of the transaction is the second service.

In the case of a continuing care retirement community under audit, the Department of Revenue maintains that at least some of the items provided to community residents in consideration of their payment of monthly service

fees are sold in “bundled transactions,” meaning that unless an exception applies the entire monthly service fee is subject to North Carolina state and local sales taxes.

The Department of Revenue maintains that its audit position is consistent with longstanding, but unpublished, private letter rulings issued to other continuing care retirement communities. The Department of Revenue’s audit position with regard to this specific situation has not been tested in administrative or ensuing proceedings. North Carolina’s tax review procedure involves successive proceedings before the Office of Administrative Hearings, then the Business Court, then the Court of Appeals, and finally the Supreme Court. It would take several years to exhaust these various reviews and appeals.

The Corporation, through its trade association, has been involved in efforts to avoid the result proposed by the Department of Revenue. Those efforts include possible administrative and legislative solutions.

The Corporation does not currently collect from Residents sales taxes with respect to resident monthly service fees. If the Department of Revenue is successful in advancing its audit position, continuing care retirement communities generally and the Corporation in particular could be subject to liability for an unquantified amount of unremitted sales taxes, and interest and penalties with respect thereto. **Such a liability could have negative implications upon the Corporation, including possible difficulty in compliance with financial covenants and meeting all of its financial obligations.** In addition, the imposition of sales taxes on some or all of resident monthly service fees could have the effect of reducing demand for residence within the Community; however, if each monthly service fee invoice itemizes the fees as between goods and services subject to the sales tax and goods and services not subject to the sales tax (which in the past has not been done), the “bundled transaction” rule would not apply to the entire monthly service fee and instead sales tax would apply to only the specific goods and services subject to the sales tax, to possibly include those goods and services noted above.

Third-Party Payments and Managed Care

General. In the environment of increasing managed care, the Obligated Group can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors, such as health maintenance organizations, direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than standalone skilled nursing facilities; however, the risk may increase and the Obligated Group may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the health care industry continue to grow.

The health care industry in general is subject to regulation by a number of federal, state and local governmental agencies. As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers, and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare program. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Corporation.

Federal and State Health Care Laws and Regulations; Medicare

The Obligated Group’s Independent Living Units are not currently subject to significant federal governmental regulation, other than laws and regulations applicable generally to developers and operators of residential real estate. For example, the Obligated Group must comply with the federal Fair Housing Act and Fair Housing Amendments Act of 1988, 42 U.S.C.A. §3601 et seq., as amended, (which among other things, prohibits discrimination in housing) and the Americans with Disabilities Act of 1990, 42 U.S.C.A. §12101 et seq., as amended (which mandates the elimination of discrimination against individuals with disabilities and imposes certain standards relating to the construction and/or renovation of certain buildings and structures). Compliance with such regulatory requirements can increase operating costs and thereby adversely affect the Obligated Group’s financial results. Failure to comply with such requirements could also result in the imposition of various fines and other remedies.

Skilled nursing facilities (“SNFs”) that accept payment from Medicare are required to comply with federal laws that affect the rights of residents, including the Federal Nursing Home Reform Act and related regulations. In addition, state laws establish the rights and responsibilities of residents of nursing homes and personal care facilities. Failure to comply with these laws can result in regulatory action, monetary fines, loss or restriction of licensure or certification, and other remedies. There is no certainty that compliance with the laws or regulatory actions under them will not adversely affect operation of the Communities or the financial condition of the Obligated Group. **At this time, the Corporation does not have any Medicare certified beds.**

The health care industry in general is subject to regulation by a number of federal, state and local governmental agencies, including the Centers for Medicare and Medicaid Services (“CMS”). As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare program. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Community.

Other future legislation, regulation or actions by the federal government are expected to continue the trend toward more limitations on reimbursement for long term care services. At present, no determination can be made concerning whether or in what form such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon the Obligated Group’s financial performance cannot be determined at this time. The current congressional discussions regarding decreasing the federal budget in connection with raising the federal debt decision may result in lowering Medicare payments to providers such as the Obligated Group.

Government Health Program Regulations Governing Fraud and Abuse and Certain Referrals. Federal and state health care fraud and abuse laws generally regulate services furnished to beneficiaries of federal and state (including Medicare) and private health insurance plans, and they impose penalties for improper billing and other abuses. Under these laws, health care providers may be punished for billing for services that were not provided, not medically necessary, provided by an improper person, accompanied by an illegal inducement to use or not use another service or product, or billed in a manner that does not comply with applicable government requirements. Violations of these laws are punishable by a range of criminal, civil and administrative sanctions. If the Obligated Group violates one of the fraud and abuse laws, among other possible sanctions, federal or state authorities could recover amounts paid, exclude the Obligated Group from participation in the Medicare program, impose civil monetary penalties, and suspend Medicare payments. The federal government (and individuals acting on its behalf) have brought many investigations, prosecutions and civil enforcement actions under the fraud and abuse laws in recent years. In some cases, the scope of the fraud and abuse laws are so broad that they may result in liability for business transactions that are traditional or commonplace in the health care industry.

There is an increasingly expanding and complex body of state and federal law, regulation and policy relating to relationships between providers of health care services to patients and potential referral sources such as, but not limited to, physicians. The federal and state illegal remuneration statutes and anti-kick-back statutes applicable to Medicare and all federal and state health care programs (“Government Programs”) prohibits the offer, payment, solicitation, or receipt of any remuneration, directly or indirectly, covertly or overtly, in cash or in kind, for (1) the referral of patients, or arranging for the referral of patients, for the provision of items or services for which payment may be made under the Government Programs; or (2) the purchase, lease or order, or arranging for the purchase, lease or order, of any good, facility, service or item for which payment may be made under the Government Programs. A violation of the illegal remuneration statute constitutes a felony criminal offense, and applicable sanctions include imprisonment of up to five years, fines up to \$25,000 and exclusion from the Medicare program.

The federal Civil False Claims Act (“Civil FCA”) prohibits anyone from knowingly submitting a false, fictitious or fraudulent claim to the federal government. Violation of the Civil FCA can result in civil money penalties and fines, including treble damages. Private individuals may initiate actions on behalf of the federal government in lawsuits called qui tam actions. The plaintiffs, or “whistleblowers,” can recover significant amounts from the damages awarded to the government. In several cases, Civil FCA violations have been alleged solely on the existence of alleged kickback arrangements or violations of Section 1877 of the Social Security Act (commonly

known as the “Stark Law”), even in the absence of evidence that false claims had been submitted as a result of those arrangements. The Patient Protection and Affordable Care Act (“PPACA”) creates Civil FCA liability for knowingly failing to report and return an overpayment within a specified time. The federal criminal False Claims Act (“Criminal FCA”) prohibits the knowing and willful making of a false statement or misrepresentation of a material fact in submitting a claim to the government. Sanctions for violation of the Criminal FCA include imprisonment, fines, and exclusions.

The Civil Monetary Penalties Law in part authorizes the government to impose money penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, the Obligated Group may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare patients under the physician’s direct care. The Health Reform Act amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the Office of Inspector General timely access for audits, investigations or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil money penalties plus three times the amount claimed.

In addition to the anti-kickback and illegal remuneration statutes, the Stark Law imposes certain restrictions upon referring physicians and providers of certain designated health services, including long term care services, under the Medicare program. Subject to certain exceptions, the Stark Law provides that if a physician (or a family member of a physician) has a financial relationship with an entity (i) the physician may not make a referral to the entity for the furnishing of designated health services reimbursable under the Medicare program, and (ii) the entity may not bill for designated health services furnished pursuant to a prohibited referral. Entities and physicians committing an act in violation of the Stark Law are subject to civil money penalties and exclusion from the Medicare program. Mandated by the Health Reform Act, the recently published Medicare self-referral disclosure protocol (“SRDP”) is intended to allow providers to self-disclose actual or potential violations of the Stark Law. The Health Reform Act provides for discretion to reduce penalties for providers submitting an SRDP. As a result of the scarcity of case law interpreting the Stark Law, there can be no assurance that the Obligated Group will not be found in violation of the Stark Law or that self-disclosure of a potential violation would result in reduced penalties for the Obligated Group. The precise impact on the Obligated Group of any of the foregoing violations and corresponding sanctions cannot be predicted at this time, but would be negative if any such sanction is imposed.

Sanctions could be applied in many situations where skilled nursing facilities participate in joint ventures with entities that may be in a position to make referrals or to which skilled nursing facilities may be in a position to make referrals, enter into personal service and management contracts, enter into space and equipment rental agreements, waive co-payments and deductibles, etc. Such sanctions could result in a material adverse effect on the financial position of the Obligated Group, exclusion from government programs, loss of license or disciplinary action by licensing agencies, and/or substantial civil monetary penalties.

Management of the Obligated Group does not believe that it is involved in activities that pose a significant risk of sanctions under these referral laws. However, there can be no assurance that such challenge or investigation will not occur in the future.

Future Healthcare and Regulatory Risks

The Obligated Group is and will continue to be subject to certain governmental regulations. Participants in the healthcare industry are subject to significant regulatory requirements of federal, state and local governmental agencies and independent professional organizations and accrediting bodies, technological advances and changes in treatment modes, various competitive factors and changes in third party reimbursement programs. In addition, the operations of the healthcare industry have been subject to increasing scrutiny by federal, state and local governmental agencies. In response to perceived abuses and actual violations of the terms of existing federal, state and local healthcare payment programs, such agencies have increased their audit and enforcement activities, and

federal and state legislation has been considered or enacted, providing for civil and criminal penalties against certain activities.

Bills proposing to regulate or control, in some manner, health care costs and revenues and a number of proposals for a national health insurance program are regularly submitted to Congress. There are wide variations among these proposals and the effect on the health care industry and the Obligated Group cannot be determined. There can be no assurance that the implementation of any such bill or proposal or any future bill or proposal, or the implementation by the federal or state administrative bodies of cost containment or revenue control programs, would not adversely affect the revenues of the Communities, and thus the revenues of the Obligated Group.

In the environment of increasing managed care, the Obligated Group can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors, such as health maintenance organizations, direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than stand-alone skilled nursing facilities; however, the risk may increase and the Obligated Group may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the health care industry continue to grow.

Environmental Matters

Health care providers are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations which address, among other things, health care operations, facilities and properties owned or operated by health care providers. Among the type of regulatory requirements faced by health care providers are, (a) air and water quality control requirements, (b) waste management requirements, including medical waste disposal, (c) specific regulatory requirements applicable to asbestos, polychlorinated biphenyls and radioactive substances, (d) requirements for providing notice to employees and members of the public about hazardous materials handled by or located at the clinics, (e) requirements for training employees in the proper handling and management of hazardous materials and wastes and (f) other requirements.

In its role as the owner and operator of properties or facilities, the Corporation may be subject to liability for investigating and remedying any hazardous substances that may have migrated off of its property. Typical health care operations include, but are not limited to, in various combinations, the handling, use, storage, transportation, disposal and discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants or contaminants. As such, health care operations are particularly susceptible to the practical, financial and legal risks associated with compliance with such laws and regulations. Such risks may (a) result in damage to individuals, property or the environment, (b) interrupt operations and increase their cost, (c) result in legal liability, damages, injunctions or fines and (d) result in investigations, administrative proceedings, penalties or other governmental agency actions. There is no assurance that the Corporation will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of the Corporation.

At the present time management of the Corporation is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to the Corporation, would have a material adverse effect on its operations or financial condition.

The Corporation has secured a Phase I Environmental Site Assessment of recent date, which confirms there is no evidence of recognized environmental conditions in connection with all of the real property owned by the Corporation, including the Phase II Expansion Site. See “PHASE II EXPANSION – Environmental Disclosure” in **APPENDIX A** hereto.

Parity Indebtedness

The Master Indenture permits the Obligated Group Members to issue Master Obligations on a parity basis with the currently outstanding Master Obligations. See “SECURITY FOR THE BONDS – Additional Indebtedness” herein and ““FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE – Permitted

Additional Indebtedness” in **APPENDIX D** hereto. In the future the issuance of such Master Obligations could increase the Corporation’s debt service and repayment requirements in a manner which would adversely affect the Obligated Group Members’ ability to make debt service payments on the Bonds.

Labor Union Activity

Certain residential care facilities are being subjected to increasing union organizational efforts. At the present time, employees of the Community are not subject to any collective bargaining agreements. There can be no assurance, however, that employees of the Community will not seek to establish collective bargaining agreements with their employer, and if so established, such collective bargaining agreements could result in significantly increased labor costs to the Community and have an adverse effect on the financial condition of the Community.

Cybersecurity

The Obligated Group has developed a security management strategy to mitigate cybersecurity risks. The Obligated Group rely on computer systems and technologies to conduct many of their operations. Despite security measures, policies and training, they may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the services provided by the Obligated Group, thereby adversely affecting revenues. The Obligated Group maintain security measures designed to deter cyber-attacks, but no assurances can be given that these security measures will successfully prevent all cyber-attacks.

Amendments to Documents

Except for certain amendments not requiring consent under a related Bond Indenture, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected thereby shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of amendments to such Bond Indenture for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contain in such Bond Indenture; provided, however that without the consent of the Owners of all the Bonds at the time Outstanding nothing contained in such Bond Indenture shall permit, or be construed as permitting any of the following: (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds of such series, without the consent of every Beneficial Owner of such Bonds, or (b) the deprivation of the Beneficial Owner of any Bond then Outstanding under such Bond Indenture of the lien created by such Bond Indenture and the Master Indenture (other than as originally permitted by such Bond Indenture, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds Outstanding under such Bond Indenture, or (d) a reduction in the aggregate principal amount of Bonds Outstanding under such Bond Indenture required for consent to any such supplemental indenture. **Each Bond Indenture 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 clauses (a) through (c) above may be made with respect to an Outstanding Bond of a series with the consent of the Holders of at least 66 2/3% in aggregate principal amount of all Outstanding Bonds of such series under such Bond Indenture.**

With the Consent of the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness), each Obligated Group Member and the Master Trustee may enter into supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Master Indenture or modifying in any manner the rights of the Holders of the Master Obligations under the Master Indenture; provided, however, that no such supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or (b) reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders

is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of the Master Indenture or certain defaults hereunder and their consequences) provided for in the Master Indenture, or (c) modify any of the provisions of the of the Master Indenture relating to Supplements with consent of Holders or any of the provisions of the Master Indenture relating to waivers. **The Master Indenture 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 clauses (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the Holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bond over any other Master Obligation or Related Bond (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in clauses (a), (b), or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.**

These provisions are intended to make it easier for the Corporation to restructure its indebtedness, including the Bonds, if an Event of Default has occurred, without having to file for bankruptcy under the federal Bankruptcy Code. If the holders of at least 66 2/3% in aggregate principal amount of the Bonds consent to an amendment described in the clauses above after an Event of Default, such as an amendment reducing the interest rate on the Bonds or extending their maturity date, then the holders of all Bonds of that maturity would be bound by such amendment, including those who did not consent. In the absence of a provision such as this in the Master Indenture and the related Bond Indenture, such a change in payment terms on the Bonds could only be made under a plan of reorganization approved by a Bankruptcy Court. The consent of the holders of 100% of the Bonds would be extremely difficult to obtain, and a bankruptcy filing would necessarily involve delay and expense which could affect the ability of the Corporation to accomplish a successful reorganization. The 66 2/3% and 80% consent requirement, as applicable, would only be in effect if an Event of Default occurred and was continuing.

Prospective purchasers of the Bonds are advised that this provision means there is a risk that if an Event of Default occurs, there may be an amendment made to the Master Indenture and the related Bond Indenture which affects the payment provisions of the Bonds such purchaser holds, the priority of payment of such Bonds or other matters described above. This amendment may be made without the consent of such purchasers, if the holders of the lesser percentage of the Bonds or the Master Obligations consent to such amendment, and the other conditions to such amendment described above are met.

See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – MASTER INDENTURE” and “– BOND INDENTURES” in **APPENDIX D** hereto.

Uncertainty of Investment Income

A portion of the Corporation’s revenues available to pay debt services is expected to come from investment income and net realized gains on the investment of available funds. The amount of such interest earnings and gains will fluctuate with changes in prevailing interest rates and financial market conditions.

Risk of Early Redemption

Purchasers of the Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such bonds trading at a price in excess of par, should consider the fact that the Bonds are subject to optional and mandatory redemption at a redemption price equal to their principal amount plus accrued interest upon the occurrence of certain events. This could occur, for example, in the event that the Bonds are prepaid as a result of a casualty or condemnation award affecting the Community or there is a default under the Deed of Trust. See “THE BONDS – Redemption Provisions Related to the Bonds.” Under such circumstances, a purchaser of the Bonds whose bonds are called for early redemption may not have the opportunity to hold such bonds for a time period consistent with such purchaser’s original investment intentions and may lose any premium paid for the Bonds.

Risk of Loss Upon Redemption

The rights of Beneficial Owners to receive interest on the Bonds will terminate on the date, if any, on which such Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the related Bond Indenture, and interest on such Bonds will no longer accrue on and after such date of redemption. There can be no assurance that the Corporation will be able or will be obligated to pay for any amounts not available under such Bond Indenture. In addition, there can be no guarantee that present provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Bonds taxable for federal income tax purposes. Interest earned on the principal amount of the Bonds may or may not be subject to state or local income taxes under applicable state or local tax laws. Each prospective purchaser of Beneficial Ownership Interests in the Bonds should consult his or her own tax advisor regarding the taxable status of the Bonds in a particular state or local jurisdiction.

Licensing, Surveys, Accreditation and Audits

On a regular basis, health care facilities, including those of the Obligated Group, are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These requirements include, but are not limited to, requirements relating to Medicare participation and payment, state licensing agencies, and other federal, state and local government agencies. Obtaining, renewing and continuing certain of these licenses, certifications and accreditations are based on inspections, surveys, audits, investigations or other reviews, some of which may require or include affirmative action or response by the Obligated Group. These activities are generally conducted in the normal course of business of health care facilities. Nevertheless, an adverse result could be the cause of loss or reduction in a facility's scope of licensure, certification or accreditation or reduce payments received. The Obligated Group currently expects to renew or maintain all currently held licenses and certifications.

The Obligated Group is subject to regulation, certification and licensure by various federal, state and local government agencies. No assurance can be given as to the effect on future Obligated Group operations of existing laws, regulations and standards for certification, licensure or of any future changes in such laws, regulations and standards.

Federal Tax Matters

Possible Changes in Corporation's 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 Corporation. The Corporation has obtained a determination letter from the Internal Revenue Service to the effect that the Corporation is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in 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 would affect the funds available to the Corporation for payments to be made under the Loan Agreements and Master Obligations. Failure of the Corporation or the Issuer 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 those being financed with Tax-Exempt Bond proceeds, could cause interest on the Tax-Exempt Bonds to be included in the gross income of bondholders or former bondholders for federal income tax purposes.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of charitable organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Corporation by requiring it to pay income taxes.

Intermediate Sanctions. Section 4958 of the Code, provides the IRS with an "intermediate" tax enforcement tool to combat violations by tax-exempt organizations of the private inurement prohibition of the Code. Previous to the "intermediate sanctions law," the IRS could punish such violations only through revocation of an entity's tax-exempt status. Intermediate sanctions may be imposed where there is an "excess benefit transaction," defined to include a disqualified person (i.e., a director, officer or other related party) (1) engaging in a non-fair market value transaction with the tax-exempt organization; (2) receiving excessive compensation from the tax-

exempt organization; or (3) receiving payment in an arrangement that violates the private inurement proscription. A disqualified person who benefits from an excess benefit transaction will be subject to a “first tier” penalty excise tax equal to 25% of the amount of the excess benefit. Organizational managers who participate in an excess benefit transaction knowing it to be improper are subject to a first-tier penalty excise tax of 10% of the amount of the excess benefit, subject to a maximum penalty of \$10,000. A “second tier” penalty excise tax of 200% of the amount of the excess benefit may be imposed on the disqualified person (but not the organizational manager) if the excess benefit transaction is not corrected in a specified time period.

Bond Audit. IRS officials have stated that more resources will be allocated to audits of tax-exempt bonds in the charitable organization sector. The Tax-Exempt Bonds may be subject to audit, from time to time, by the IRS. The Corporation believes that the Tax-Exempt Bonds properly comply with applicable tax laws and regulations. In addition, Bond Counsel will render opinions with respect to the tax-exempt status of the Tax-Exempt Bonds, as described under the heading “TAX MATTERS.” No ruling with respect to the tax-exempt status of the Tax-Exempt Bonds has been or will be sought from the IRS, however, and opinions of counsel are not binding on the IRS or the courts, and are not guarantees. There can be no assurance, therefore, that an audit of the Tax-Exempt Bonds will not adversely affect the Tax-Exempt Bonds or the Bonds as a whole.

Tax-Exempt Status of the Tax-Exempt Bonds. It is expected that the Tax-Exempt Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. See “TAX MATTERS.” Bond Counsel is delivering its opinions with respect to certain aspects of the tax status of the Tax-Exempt Bonds, the proposed forms of which are attached to this Official Statement in **APPENDIX E** and should be read in their entirety for a complete understanding of the scope of the opinions and the conclusions expressed. A legal opinion is only the expression of professional judgment and does not constitute a guaranty with respect to the matters covered. In addition, the opinions of Bond Counsel speak only as to their date, and Bond Counsel does not undertake to advise bondholders about subsequent developments.

The tax status of the Tax-Exempt Bonds could be affected by post-issuance events. Various requirements of the Code must be observed or satisfied after the issuance of the Tax-Exempt Bonds in order for such interest to remain excludable from gross income of the holders thereof. These requirements include restrictions on the use of the proceeds of the Tax-Exempt Bonds, ownership, use and operation of the facilities financed by the Tax-Exempt Bonds, investment of proceeds of the Tax-Exempt Bonds, the rebate of so-called excess arbitrage earnings, the continuing qualification of the Corporation as a 501(c)(3) organization under the Code, and restrictions on the amount of issuance costs financed with the proceeds of the Tax-Exempt Bonds. See “TAX MATTERS.” Compliance with these requirements is the responsibility of the Obligated Group. Failure to comply could result in the inclusion of interest on the Tax-Exempt Bonds in gross income retroactive to the date of issuance of the Tax-Exempt Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Tax-Exempt Bonds could affect the tax-exempt status of the Tax-Exempt Bonds or the economic benefit of investing in the Tax-Exempt Bonds. For example, Congress could eliminate the exemption for interest on the Tax-Exempt Bonds, or it could cap the tax rate of beneficial owners of the Tax-Exempt Bonds who could treat such interest as tax-exempt, or it could reduce or eliminate the federal income tax, or it could adopt a so-called “flat tax.”

The Bond Indentures provide for mandatory redemption of the Tax-Exempt Bonds and payment of additional interest or penalty if a determination is made that the interest on the Tax-Exempt Bonds is not tax-exempt. There can be no assurance that the Obligated Group would have the resources to redeem the Tax-Exempt Bonds in such an event. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – BOND INDENTURES – Extraordinary Redemption” in **APPENDIX D** hereto.

Purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may

adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds and could affect the market price for, or the marketability of, the Tax-Exempt Bonds.

IRS Examination of Compensation Practices. In August 2004, the IRS announced a new enforcement effort to identify and halt abuses by tax-exempt organizations that pay excessive compensation and benefits to their officers and other insiders. The IRS announced that it would contact nearly 2,000 charities and foundations to seek more information about their compensation practices and procedures. In February 2009, the IRS issued its Hospital Compliance Project Final Report (the “IRS Final Report”) based on its examination of such tax-exempt organizations. The IRS Final Report indicates that the IRS (i) will continue to heavily scrutinize executive compensation arrangements, practices and procedures and (ii) in certain circumstances, may conduct further investigations or impose fines on tax-exempt organizations.

Revision of IRS Form 990 for Tax-Exempt Organization. The IRS Form 990 is used by most 501(c)(3) not-for-profit organizations exempt from federal income taxation to submit information required by the federal government. On December 20, 2007, the IRS released a revised Form 990 that requires detailed public disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be compliance risk areas. The revised form also requires the disclosure of a significantly greater amount of information on community benefit and establishes uniform standards for reporting of information relating to tax-exempt bonds, including compliance with the arbitrage rules and rules limiting private use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. The redesigned Form 990 is intended to result in enhanced transparency as to the operations of exempt organizations. It is also likely to result in enhanced enforcement, as the redesigned Form 990 will make detailed information on compliance risk areas available to the IRS and other stakeholders.

Other Tax Status Issues. The IRS has also issued Revenue Rulings dealing specifically with the manner in which a facility providing residential services to the elderly must operate in order to maintain its exemption under Section 501(c)(3). Revenue Rulings 61-72 and 72-124 hold that, if otherwise qualified, a facility providing residential services to the elderly is exempt under Section 501(c)(3) if the organization (1) is dedicated to providing, and in fact provides or otherwise makes available services for, care and housing to aged individuals who otherwise would be unable to provide for themselves without hardship, (2) to the extent of its financial ability, renders services to all or a reasonable proportion of its residents at substantially below actual cost, and (3) renders services that minister to the needs of the elderly and relieve hardship or distress. Revenue Ruling 79-18 holds that a facility providing residential services to the elderly may admit only those tenants who are able to pay full rental charges, provided that those charges are set at a level that is within the financial reach of a significant segment of the community’s elderly persons, and that the organization is committed by established policy to maintaining persons as residents, even if they become unable to pay the monthly charges after being admitted to the facility.

Other Legislation. Section 7872 of the Code (Treatment of Loans with Below Market Interest Rates), provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below market rate loan is the avoidance of federal income taxation.

A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a “safe harbor” exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether the Residency Agreements come within the scope of the continuing care facility safe harbor or within the statute itself.

Provided the Residency Agreement falls within the scope of Section 7872, the safe harbor exemption under Section 7872(h) is applicable (i) if such loan was made pursuant to a continuing care contract, (ii) if the resident (or the resident’s spouse) has attained age 62 before the close of the year and (iii) irrespective of the amount of the “loan” by the resident (or the resident’s spouse) to the continuing care facility. Section 425 of the Tax Relief and

Health Care Act of 2006 amended Section 7872(h) to make the exemption for loans to qualifying care facilities permanent.

Any determination of applicability of Section 7872 could have the effect of discouraging potential residents from becoming or remaining residents of the Community.

In recent years the Internal Revenue Service and members of Congress have expressed concern about the need for more restrictive rules governing the tax-exempt status of 501(c)(3) organizations generally and of retirement communities in particular. Legislation has been previously introduced restricting the ability of such organizations to utilize tax-exempt bonds unless they maintain a required percentage of low to moderate income residents. Although the Corporation has covenanted to take all appropriate measures to maintain its tax-exempt status, compliance with current and future regulations and rulings of the Internal Revenue Service could adversely affect the ability of the Corporation to collect loan payments at the level required by the Loan Agreements, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Bonds.

Market for the Bonds

Secondary Market. It is the present practice of the Underwriter to make a secondary market in the bond issues it offers. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular bond issue, these secondary marketing practices in connection with a particular bond issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially lower than the original purchase price. While there can be no guarantee or assurance that the Underwriter will always continue its present secondary marketing practices, the Underwriter presently intends to make a secondary market in the Bonds, subject to the foregoing limitations. Nevertheless, there can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Any prospective purchaser of the Bonds should therefore undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Bonds that does not intend or that is not able to hold the Bonds for a substantial period of time is advised against investing in the Bonds.

Restrictions on Transfer. Unless the Bonds receive an Investment Grade Rating, Bondholders must be a “Qualified Institutional Buyer,” as defined in Rule 144A under the Securities Act or an “Accredited Investor,” as defined in Rule 501 under the Securities Act. There are restrictions on transfer of the Bonds. See “RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS.”

Other Possible Bondholders’ Risks

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

(1) 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;

(2) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;

(3) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Corporation and any future member of the Obligated Group;

(4) A decline in the population, a change in the age composition of the population or a decline in the economic conditions of the Community’s market area;

- (5) The cost and availability of energy and utilities;
- (6) Inflation or other adverse economic conditions;
- (7) Reinstatement or establishment of mandatory governmental wage, rent or price controls;
- (8) Additional changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;
- (9) Scientific and technological advances that could reduce demand for services offered by the Corporation and any future members of the Obligated Group;
- (10) The occurrence of natural disasters, including hurricanes, volcanic eruptions and typhoons, floods or earthquakes, or failures of storm water detention devices during such naturally occurring events, which may damage the facilities of the Obligated Group, interrupt utility service to the facilities, or otherwise impair the operation and generation of revenues from said facilities; or
- (11) Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability, that organizations such as the Corporation and any future members of the Obligated Group generally carry.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Obligated Group Representative will furnish or cause to be furnished to each Required Information Recipient (and the Master Trustee has no duty or obligation to review or examine the contents thereof) all of the following:

(i) Commencing with the quarter ending September 30, 2021, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such fiscal quarter.

If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date, the Obligated Group must deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least equal to 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(ii) Within 150 days of the end of each Fiscal Year, the audited annual financial statements of the Obligated Group examined by an Accountant which must include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year, *[together with a separate written statement of the Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year, and a statement that such Accountant has no knowledge of any default under the Master Indenture, or if such Accountant has obtained knowledge of any such default or defaults, they must disclose in such statement the default or defaults and the nature thereof]* **(the italicized clause is deleted in the Third Amended and Restated Master Trust Indenture).**

(iii) On or before the date of delivery of the annual financial reports referred to in paragraph (ii) above, a management's discussion and analysis of results for the applicable fiscal period, and on or before the date of delivery of the quarterly and annual financial reports referred to in paragraphs (i) and (ii) above an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, if applicable, and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.

(iv) Copies of (A) any board approved revisions to the summary of the Annual Budget, or (B) 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), [*correspondence to or from the Internal Revenue Service,*] **(the italicized clause is deleted in the Third Amended and Restated Master Trust Indenture)** or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(v) Following the delivery of the quarterly financial statements required to be provided to Required Information Recipients each fiscal quarter, the Obligated Group Representative must make available one or more representatives reasonably acceptable to the Majority Holders and the Master Trustee for a telephone conference call with the beneficial owners of Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the beneficial owners of Related Bonds and the Master Trustee. The Obligated Group Representative must post notice of such calls to EMMA at least one week prior to the scheduled date of each call. **This provision will be replaced in the Third Amended and Restated Master Trust Indenture with the following:** The Obligated Group Representative shall use its best efforts to make available one or more representatives for a quarterly telephone conference call (semi-annually if any of the Related Bonds are rated) with the beneficial owners of the Related Bonds and the Master Trustee to discuss the financial results of the preceding period and such other matters as are relevant or are reasonably requested by the beneficial owners of the Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least one week prior to the scheduled date of each call, but shall provide such notice to the Master Trustee.

(vi) Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.

(vii) Within 30 days of any revision of the schedule of Entrance Fees or monthly service fees being charged or quoted to residents or prospective residents of the Facilities, a report on the amounts of such revised Entrance Fees or monthly service fees for each type of unit setting forth the reasons for such revision. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.**

(viii) Notice within three (3) Business Days of the occurrence of any of the material events required to be reported to each nationally recognized municipal securities information repository pursuant to a continuing disclosure agreement. **This provision will be removed by the Third Amended and Restated Master Trust Indenture.**

The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Required Information Recipients a copy of each Consultant's final report required to be prepared under the terms of the Master Trust Indenture.

The Obligated Group Representative must give prompt written notice of a change of Accountant by the Obligated Group to each Required Information Recipient. The notice must state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as such Required Information Recipient may reasonably request.

The Obligated Group Representative must furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee such additional information as the Master Trustee or such Related Bond Trustee may reasonably request concerning any Member and all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members must, to the extent permitted by law, at all times during regular business hours be open to the inspection of such Accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee. Without limiting the foregoing, each Member must 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 Accountant, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

No later than 30 days prior to the last day of each Fiscal Year, the Obligated Group Representative must prepare the Annual Budget (consisting of a statement of income and expenses on a monthly basis) for the following Fiscal Year. If the Obligated Group Representative fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Annual Budget must be provided to each Required Information Recipient no later than 30 days after the start of each Fiscal Year, and any amendment to the Annual Budget shall be provided to each Required Information Recipient within 30 days after its completion.

Continuing Disclosure

General. Inasmuch as the Bonds are special limited obligations of the Issuer, the Issuer has determined that no financial or operating data concerning it is material to any decision to purchase, hold or sell the Bonds, and the Issuer will not provide any such information. The Corporation has undertaken all responsibilities for any continuing disclosure to holders of the Bonds as described below, and the Issuer will have no liability to the holders or any other person with respect to such disclosures.

The Corporation will covenant for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption), pursuant to a Continuing Disclosure Certificate for the Series 2021 Bonds, a Continuing Disclosure Certificate for the Series 2022 Bonds, and a Continuing Disclosure Certificate for the Series 2023 Bonds (collectively, the "Disclosure Certificates") to be executed and delivered by the Corporation, to provide or cause to be provided certain financial and operating data required to be provided to EMMA pursuant to the Rule (defined below) or pursuant to the Master Indenture, including but not limited to: (i) each year, the audited financial statements of the Obligated Group, a management's discussion and analysis for the Fiscal Year, and an Officer's Certificate as to compliance with the Master Indenture, including but not limited to the Days Cash on Hand and Debt Service Coverage Ratio requirements (collectively, the "Annual Report") by not later than the date 150 days after the last day of the Fiscal Year of the Obligated Group; provided, however, that if the audited financial report of the Obligated Group is not available by such date, unaudited financial statements will be included in the Annual Report and audited financial statements will be provided if and when available; (ii) timely notices of the occurrence of certain enumerated events; and (iii) quarterly unaudited financial statements ("Quarterly Reports") within 45 days after the close of each fiscal quarter.

Currently the Fiscal Year of the Obligated Group commences on January 1. “Beneficial Owners” means the beneficial owner of any Bond held in a book-entry only system. In addition, the Corporation will provide to EMMA a copy of any information provided pursuant to the Master Indenture as described above under the section “Financial Statements, Etc.” (the “Additional Information”). The forms of the Disclosure Certificates are attached hereto as **APPENDIX G**. The Annual Report and the Additional Information will be filed by or on behalf of the Corporation and made available to holders of the Bonds through EMMA, the information repository of the Municipal Securities Rulemaking Board, to comply with Rule 15c2-12 (as amended from time to time the “Rule”) of the Securities and Exchange Commission (the “SEC”). These covenants have been made in order to assist the Underwriter and registered brokers, dealers and municipal securities dealers in complying with the requirements of the Rule.

Disclosure regarding Phase II Expansion Project. In addition to the foregoing required disclosures, the Continuing Disclosure Certificate for the Series 2021 Bonds requires the following disclosures:

(1) No later than thirty (30) days following the end of each calendar month, commencing with the calendar month ended November 30, 2021, a summary of construction progress and activities, including construction disbursements against budget and estimated costs to complete, and including notice of any material change orders relating to the Phase II Expansion and a report of change orders affecting the Phase II Expansion’s contractor contingency budget;

(2) No later than thirty (30) days following the end of each calendar month, commencing with the calendar month ended November 30, 2021 and ending with the first month after Stable Occupancy (as defined in Supplemental Indenture Number 5) occurs, a monthly report addressing the following:

- i. a calculation of the marketing levels for such Independent Living Units added as part of the Phase II Expansion as of the end of such month, consistent with the format presented in the table titled “Percentage of Reserved Independent Living Units” in the Official Statement under the heading “SECURITY FOR THE BONDS—Covenants Under Existing Master Indenture and Supplemental Indenture Number 5—Marketing Covenant,” including the number of such units that have been sold or cancelled during that month and on an aggregate basis; and
- ii. in addition to the marketing levels described above, after the issuance of a certificate of occupancy for any building containing Independent Living Units that are part of the Phase II Expansion, occupancy levels of the Independent Living Units added as part of the Phase II Expansion as of the end of such month, including the number of such Independent Living Units that were occupied and vacated during that month and on an aggregate basis.

Failure to Comply. In the event of a failure of the Corporation to comply with any provision of the Disclosure Certificate for a Series of Bonds, any owner of such Bonds or a Beneficial Owner thereof may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Corporation to comply with the obligations under such Disclosure Certificate. A failure to comply with any Disclosure Certificate will not be deemed an Event of Default under the Bond Indentures, the Loan Agreements or the Master Indenture. The sole remedy under a Disclosure Certificate in the event of any failure of the Corporation to comply with such Disclosure Certificate will be an action to compel performance, and no person or entity will be entitled to recover monetary damage thereunder under any circumstances.

Prior Compliance

The Corporation entered into prior written continuing disclosure undertakings related to the Series 2012 Bonds, the Series 2016 Bonds, the Series 2017 Bonds and the Series 2020 Bonds (the “Prior Undertakings”). The Prior Undertakings required, among other things, the Corporation to file certain monthly, quarterly and annual financial and operating data. A review of the filing history of over the past five years shows certain instances of non-compliance with the Prior Undertakings.

Specifically, the Corporation failed (i) to timely file its operating data for certain fiscal years, (ii) to include certain required information in its operating data for certain fiscal years, (iii) to timely file its annual budget for certain fiscal years (iv) to timely file notices of quarterly conference calls on various occasions, (v) to include certain information titled “Officer’s Certificate” in its required monthly marketing reports for certain years, (vi) to include certain information titled “Cumulative Cash Operating Loss” in its required monthly marketing reports for certain months, and (vii) to timely file notices of its failures to file, all as required by the Rule.

The Corporation has implemented internal and external procedures to ensure timely compliance with its continuing disclosure undertakings in the future, including the establishment of an annually recurring calendar tickler system made available through EMMA. In addition, the Corporation, in 2018, hired Mary Clements to serve as its Chief Financial Officer. She has experience with continuing disclosure matters from her previous employment and she remedied certain prior omissions with respect to filings due for the Prior Undertakings. In addition, the Corporation’s current staff has reviewed the obligations of the Corporation under the Disclosure Certificates and is aware of the importance of complying with the obligations therein.

LITIGATION

The Issuer

To the Issuer’s knowledge, as of the date of this Official Statement there is not pending or threatened any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are to be issued or which in any manner questions the right of the Issuer to enter into the Bond Indentures or the Loan Agreements or to secure the Bonds in the manner provided therein.

The Corporation

There is no litigation pending or, to the Corporation’s knowledge, threatened against the Corporation, wherein an unfavorable decision (i) would adversely affect the ability of the Corporation to operate its facilities or to carry out its obligations under the Master Indenture or the Loan Agreements, or (ii) would have a material adverse impact on the financial position or results of operations of the Corporation.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approval of Bond Counsel. Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, has acted in the capacity as Bond Counsel for the purpose of rendering opinions with respect to the authorization, issuance, delivery, legality and validity of the Bonds and for the purpose of rendering opinions on the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes and certain other tax matters. In its capacity as Bond Counsel, such firm has not been requested to examine, and has not investigated or verified, any statements, records, material or matters relating to the financial condition or capabilities of the Corporation or its affiliates, and has not assumed responsibility for the preparation of this Official Statement, except that, in its capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions “THE BONDS,” “SECURITY FOR THE BONDS” (other than under the subheading “– The Master Indenture – Mortgaged Property”) and “TAX MATTERS,” and in **APPENDIX D – “FORMS OF PRINCIPAL FINANCING DOCUMENTS (INCLUDING MASTER INDENTURE, SUPPLEMENTAL INDENTURES, BOND INDENTURES, LOAN AGREEMENTS, DEED OF TRUST, 2022 BOND PURCHASE AGREEMENT AND 2023 BOND PURCHASE AGREEMENT.”**

Certain matters will be passed upon for the Issuer by its counsel, von Briesen & Roper, s.c., Milwaukee, Wisconsin; for the Corporation by its counsel, Krevolin & Horst, LLC, Atlanta, Georgia, and K&L Gates LLP, Raleigh, North Carolina; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In

rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CERTAIN RELATIONSHIPS

MatchCapSM and Herbert J. Sims & Co., Inc.

MatchCap is a limited liability company organized under the laws of the State of Connecticut. Its managing member is HJS Advisors, Inc., an affiliate of Herbert J. Sims & Co., Inc., the senior managing Underwriter for the Bonds. The other members of MatchCap include third-party investors in addition to officers and employees of Herbert J. Sims & Co., Inc.

The Corporation is the obligor to MatchCap pursuant to the MatchCap Obligation, the payment of which is deferred and bears interest at 6% per annum, provided that the return shall not exceed \$6,800,000 in the aggregate. Payment of the principal of and interest on the MatchCap Obligation is subordinated to payment of the Series 2016 Bonds, the Series 2017 Bonds and the Bonds and may be paid only when certain conditions have been satisfied.

Stanley G. Brading

The President of the Corporation, Stanley G. Brading, is of counsel with Krevolin & Horst LLC, counsel to the Corporation. Mr. Brading will receive no compensation from Krevolin & Horst LLC as a result of the fees it receives as special counsel to the Corporation for the Bonds. See “THE CORPORATION - Governance” in **APPENDIX A** hereto.

TAX MATTERS

The opinions described under this heading will be rendered separately for the Series 2021 Bonds, the Series 2022 Bonds and the Series 2023 Bonds on the respective issue dates of such Bonds based on the facts and law in effect on those dates. Based on the facts and law in effect at the time of the sale of the Bonds, all of the Tax-Exempt Bonds will be a single issue for federal income tax purposes.

General

The opinions of Bond Counsel will state that under existing law:

- interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and
- interest on the Tax-Exempt Bonds is not exempt from Wisconsin or North Carolina income taxes.

In rendering the foregoing opinions, Bond Counsel will rely on the opinion of Krevolin & Horst, LLC, counsel to the Corporation, with respect to the Corporation’s status under Section 501(c)(3) of the Code. The tax exemption of interest on the Tax-Exempt Bonds is dependent upon, among other things, the Corporation’s status as an organization described in Section 501(c)(3) of the Code, and therefore Bond Counsel’s conclusion that interest is excludable from gross income for purposes of federal income tax exemption is dependent, in part, upon the opinion of Krevolin & Horst, LLC.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order for interest on the Tax-Exempt Bonds to be and remain excludable from gross income for purposes of federal income taxation. Examples include: the requirement that the Corporation maintain its status as an organization exempt from federal income taxation by reason of being described in Section 501(c)(3) of the Code; the requirement that the Issuer rebate certain excess earnings on proceeds and amounts treated as proceeds of the Tax-Exempt Bonds to the United States Treasury;

restrictions on investment of such proceeds and other amounts; and restrictions on the ownership and use of the facilities financed with proceeds of the Tax-Exempt Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the Issuer and the Corporation subsequent to the issuance of the Tax-Exempt Bonds to maintain the exclusion of interest on the Tax-Exempt Bonds from income for federal income taxation purposes. Failure to comply with certain of such requirements may cause interest on the Tax-Exempt Bonds to be included in gross income retroactively to the respective date of issuance of the Tax-Exempt Bonds. The Issuer and the Corporation have covenanted to comply with these requirements. The opinions of Bond Counsel delivered on the respective dates of issuance of the Tax-Exempt Bonds will be conditioned on the compliance by the Issuer and the Corporation with such requirements, and Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Tax-Exempt Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to revise or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

Other Tax Consequences

Prospective purchasers of the Tax-Exempt Bonds should be aware that ownership of the Tax-Exempt Bonds may result in collateral federal, state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Tax-Exempt Bonds. Bond Counsel expresses no opinion regarding any such collateral tax consequences. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding collateral tax consequences.

Original Issue Premium

The Tax-Exempt Bonds maturing on June 1, 20__ have been sold at initial public offering prices that are in excess of the amount payable at maturity. An amount equal to the excess of the purchase price of a Tax-Exempt Bond over its stated redemption price at maturity constitutes premium on such Tax-Exempt Bond. Purchasers must amortize any premium over such Tax-Exempt Bond's term using constant yield principles, based on the Tax-Exempt Bond's yield to maturity. As premium is amortized, a purchaser's basis in such Tax-Exempt Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Tax-Exempt Bond prior to its maturity. Even though a purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of a Tax-Exempt Bond at a premium, whether at the time of initial issuance or after initial issuance, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Tax-Exempt Bonds.

Original Issue Discount

The original issue discount in the selling price of each Tax-Exempt Bond maturing on June 1, 20__ to the extent properly allocable to each owner of such Tax-Exempt Bond, is excludable from gross income for federal income tax purposes with respect to such owner. The original issue discount is the excess of the stated redemption price at maturity of such Tax-Exempt Bond over its initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Tax-Exempt Bonds of such maturity were sold.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to any owner of a Tax-Exempt Bond during any accrual

period generally equals (i) the issue price of such Tax-Exempt Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Tax-Exempt Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Tax-Exempt Bond. Purchasers of any Tax-Exempt Bond at an original issue discount should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to state and local tax consequences of owning such Tax-Exempt Bonds.

Taxable Bonds

Interest on the Taxable Bonds is not excludable from gross income for federal income tax purposes and is not exempt from Wisconsin or North Carolina income taxes.

FINANCIAL STATEMENTS

The financial statements of the Corporation as of December 31, 2020 and 2019 included in this Official Statement in **APPENDIX B**, have been audited by Dixon Hughes Goodman LLP, independent auditors, as stated in their report appearing herein.

FINANCIAL FEASIBILITY STUDY

Management's financial forecast for the six years ending December 31, 2026, included as part of the Financial Feasibility Study dated September 29, 2021 included in **APPENDIX C** hereto, has been examined by Dixon Hughes Goodman LLP, independent certified public accountants, as stated in **APPENDIX C**. As stated in the Financial Feasibility Study, there will usually be differences between the forecasted data and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein.

NO RATING

THE BONDS ARE NOT RATED; NEITHER THE ISSUER NOR THE CORPORATION HAS APPLIED TO ANY RATING SERVICE FOR A RATING ON THE BONDS.

UNDERWRITING

The Series 2021 Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$_____ (representing the aggregate par amount of the Series 2021 Bonds of \$_____, [less/plus] original issue [discount/premium] less an underwriter's discount of \$_____ pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Corporation and the Underwriter (the "2021 Purchase Agreement"). The Corporation has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2021 Bonds are subject to various conditions contained in the 2021 Purchase Agreement. The 2021 Purchase Agreement provides that the Underwriter will purchase all of the Series 2021 Bonds if any Series 2021 Bonds are purchased.

The 2022 Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$_____ (representing the aggregate par amount of the Series 2022 Bonds of \$_____, [less/plus] original issue [discount/premium] less an underwriter's discount of \$_____ pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Corporation and the Underwriter (the "2022 Purchase Agreement"). The Corporation has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2022 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2022 Bonds are subject to various conditions contained in the 2022 Purchase Agreement. The 2022 Purchase Agreement provides that the Underwriter will purchase all of the Series 2022 Bonds if any Series 2022 Bonds are purchased.

The 2023 Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$_____ (representing the aggregate par amount of the Series 2023 Bonds of \$_____, [less/plus] original issue [discount/premium] less an underwriter's discount of \$_____ pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Corporation and the Underwriter (the "2023 Purchase Agreement"). The Corporation has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2023 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2023 Bonds are subject to various conditions contained in the 2023 Purchase Agreement. The 2023 Purchase Agreement provides that the Underwriter will purchase all of the Series 2023 Bonds if any Series 2023 Bonds are purchased.

MISCELLANEOUS

The references herein to the Act, the Bond Indentures, the Loan Agreements, the Master Indenture, the Deed of Trust, the 2022 Bond Purchase Agreement, the 2023 Bond Purchase Agreement, and certain other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials, forms of which are attached to this Official Statement in **APPENDIX D** and copies of which will be furnished by the Bond Trustee upon request for further information.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Bonds.

The information assembled in this Official Statement has been supplied by the Corporation and other sources believed to be reliable, and, except for the statements under the heading "THE ISSUER" herein and information relating to the Issuer under the heading "LITIGATION – The Issuer," the Issuer makes no representations with respect to nor warrants the accuracy of such information. The Corporation has agreed to indemnify the Issuer and the Underwriter against certain liabilities relating to the Official Statement.

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SIGNATURE PAGE

The execution, delivery and distribution of this Official Statement have been duly authorized by the Corporation.

SAMARITAN HOUSING FOUNDATION, INC.

By: _____
President

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APPENDIX A

CERTAIN INFORMATION ABOUT SEARSTONE

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THE CORPORATION

Background

Samaritan Housing Foundation, Inc. (the “**Corporation**”) is a Georgia nonprofit corporation that was incorporated in 1999 and 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 Corporation is authorized to do business in North Carolina as “Searstone Retirement Community.” The Corporation owns and operates a continuing care retirement community (“**CCRC**”) known as “Searstone” (the “**Community**”) located on approximately 40.78 acres within the Searstone Planned Development District (the “**PDD**”) in Cary, Wake County, North Carolina. The Community opened in 2013 and as of August 1, 2021, 98% of the available Existing Independent Living Units and 70% of the available Existing Health Care Center Units were fully occupied.

Governance

The Corporation is governed by a Board of Directors (the “**Board**”). Directors take such actions and perform such duties and responsibilities as may be authorized by law and the Corporation’s Articles of Incorporation and Bylaws. Directors serve one-year terms, with no limit on the number of terms that may be served and are elected annually by the then members of the Board at its annual meeting. The bylaws of the Corporation require it to have a President and a Secretary and such other officers as the Board elects.

The Directors and officers of the Corporation are listed below:

Stanley G. Brading, Jr., President and Director. Age 67. Mr. Brading has been a practicing attorney for 40 years, focusing on tax-exempt bond financing for Section 501(c)(3) corporations such as the Corporation, including the acquisition and construction of health care facilities with such bond proceeds. Mr. Brading represented the Corporation as its attorney from 2005 until July 1, 2011, when he accepted his current position as President. Mr. Brading received his B.A. degree from Duke University in 1974, his J.D. degree from the Washington and Lee University School of Law in 1979, and his Master of Laws in Taxation from Emory University in 1984. Mr. Brading has served as President of the Duke University Alumni Association and by virtue of that position subsequently served as a member of the Duke University Board of Trustees. He has been involved in a wide range of nonprofit community organizations such as Chairman of the Board of the Atlanta Children’s Shelter, President of Buckhead Little League Baseball, President of the Buckhead Lions Club, and as a member of the Buckhead Rotary Club. Mr. Brading is also the president of other nonprofit corporations involved in senior and affordable housing. Mr. Brading maintains his office at the law firm of Krevolin & Horst LLC in Atlanta, Georgia where he is Of Counsel.

Thomas A. Beebe, Director. Age 70. Mr. Beebe is a long-time resident of the Cary area. He earned his A.B./L.L.B. (Pre-Law, emphasis in business) undergraduate degree and J.D. degree from the University of North Carolina at Chapel Hill. Mr. Beebe practiced real estate and business/estate planning law in private practice in Cary for nine years and then was active in the real estate development business in the Wake County area until his retirement in June 2018.

Linda D. Coleman, Director. Age 71. Ms. Coleman is a native of Greenville, North Carolina and is a long-time resident of Knightdale, North Carolina. Ms. Coleman has served as Chair of the Wake County Board of Commissioners, was elected three times to the North Carolina House of Representatives, and served as the Director of the North Carolina Office of State Human Resources from 2009 to 2012. Some of Ms. Coleman’s past positions have included being a high school teacher and working for the State of North Carolina in the human resource field as the Human Resources Manager for the North Carolina Department

of Community Colleges. Ms. Coleman serves on a number of boards including Wake Technical Community College and the Methodist Home for Children.

Charles H. Henderson, Director. Age 80. Mr. Henderson served as the Town Attorney for the Town of Cary for 28 years before retiring in 2005. After retiring from the Town of Cary, he was employed by the law firm of Poyner & Spruill LLP for one year. Prior to coming to the Town of Cary, he served as Assistant City Attorney for the City of Burlington, North Carolina.

Marc C. Hewitt, Director. Age 50. Mr. Hewitt is a healthcare attorney with the law firm of Fox Rothschild LLP in Raleigh, North Carolina, focusing on healthcare related regulatory and litigation matters, including representation of CCRCs, nursing and assisted living facilities. He is a lifelong resident of North Carolina, has served on the board of Habitat for Humanity of Wake County, and previously served in the U.S. Marine Corps.

Mack R. Leath, Jr., Director. Age 64. Mr. Leath received his B.S. Degree in Business Administration from the North Carolina State University in 1979. He has been in the petro-chemical business for 30 years, owned MRL Associates in Atlanta, Georgia for 17 of those years and now works with Chemicals Etc., a Houston, Texas-based firm. He is a founder of: Araicom Life Sciences, LLC, a literature search software start-up; Medsoftccs, LLC, a software solution focused on assisting HR functions with nursing compliance issues; and W6, a scheduling and estimating software solution for the petro-chemical industry. Mr. Leath has served as President as well as a board member of Searstone since its inception.

Earl A. (Buzz) Mead, Director. Age 87. Mr. Mead has been a resident of the Community since 2017. He is a graduate of the University of Michigan and the University of Pittsburgh School of Law. From 1955-1960 he was an officer in the United States Air Force, and from 1960-1978 he was an officer in the Pennsylvania Air National Guard, where he was a pilot (mostly of the F-102 fighter jet). From 1968-1976 and from 1983-1985 he was a flight crew member for Pan American World Airways, flying Boeing 707, 727, and 747 aircraft. From 1970-1992 he was a practicing lawyer, with emphasis on real estate matters. He has prior experience serving on the board of directors and as president of other non-profit organizations.

Charles L. Norman, Director. Age 47. Mr. Norman earned his B.A. in Communication from North Carolina State University. He spent seven years with the Cary Chamber of Commerce as Vice President of Communication and Government Relations prior to joining Smith & Associates/Cherokee Publishing as Vice President and Director of Business Development.

James B. Pierce, Director. Age 73. Mr. Pierce is a Certified Public Accountant and a retired partner at the accounting firm of Williams Overman Pierce, LLP. He graduated from the University of North Carolina, earning a bachelor's degree in Accounting in 1969. Mr. Pierce has always and continues to be an active community volunteer. He has served as an officer and board member of numerous nonprofit organizations, including the American Lung Association of North Carolina, Wake Education Partnership, Wake County Estate Planning Council, and Crabtree Rotary Club. He is currently the treasurer of Greenwood Forest Baptist Church.

Mr. Mead is a current resident of the Community. Mr. Pierce has placed a deposit to move into the Community.

Committees of the Board

The Corporation's Bylaws allow the Board to designate from among its members an executive committee, consisting of two or more directors and the President. The executive committee will have and

may exercise all authority of the Board in the management of the affairs of the Corporation, subject to certain limitations. The Board has not taken action to designate an executive committee.

The Corporation's Bylaws allow the Board to appoint other committees of the Board having such authority of the Board as is set forth in the Board resolution authorizing such committee. Pursuant to that authority, the Board has authorized the following committees of the Board: a Compensation Committee, to which the Board has delegated authority to review the performance and recommend to the Board the compensation of the Corporation's President; and an Endowment Committee, to which the Board has delegated authority with respect to governance of the Corporation's endowment program known as the "SearStone Endowment."

Conflict of Interest Policy

From time to time, the Corporation conducts business transactions with organizations or corporations with which one or more of the officers or directors of the Corporation may be affiliated. The Corporation has a conflict of interest policy which requires that any such duality of interest or possible conflict of interest on the part of any officer or director be disclosed and be made a matter of record. In addition to disclosure, the policy requires that additional specified steps be taken, as appropriate, to assure that the conflict does not impact objective deliberation or vote. See "**CERTAIN RELATIONSHIPS**" in the front part of the Official Statement.

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MANAGEMENT OF THE COMMUNITY

Management

Searstone-RLA, Inc. (the “**Manager**”) is serving as the manager of the Community. The Manager is a privately held corporation organized and existing under the laws of the State and was organized to manage the Community. The sole shareholder of the Manager is Mr. David Ammons. Mr. Ammons and his affiliated companies, including Retirement Living Associates, Inc. (“**RLA**”), manage and operate existing assisted living communities and CCRCs. RLA and its affiliates provide professional management, marketing, development, consulting and advisory services to senior living communities throughout the States of North Carolina and Florida. The following are the executive officers and key personnel of the Manager:

David Ammons, Owner and Principal of Searstone-RLA, Inc. Age 58. David Ammons is Searstone-RLA’s owner, principal and project manager of the Community. Through Ammons-Springmoor Associates, Inc., Mr. Ammons and RLA also currently oversee the management and operations of Springmoor Life Care Retirement Community (“**Springmoor**”) in Raleigh, North Carolina. Springmoor, which opened in 1984, has 388 independent living units, 18 assisted living units, and 173 skilled nursing beds including 18 memory care beds, and is currently approximately 99% occupied. RLA is developing Legacy at Mills River, a full-service equity model CCRC that is planned to be developed in Mills River, North Carolina. RLA managed Methodist Manor of the Pee Dee, a 224-unit continuing care retirement community in Florence, South Carolina, from 2011 to 2018; Mars Hill Retirement Community, a 69 unit assisted living facility in Mars Hill, North Carolina, through Mars Hill Retirement Living, Inc.; Ardenwoods Retirement Community in Arden, NC, through Ardenwoods-RLA, Inc.; Plantation Oaks Assisted Living and Memory Care in High Springs, Florida, through Plantation Oaks-RLA, Inc.; and Twin Creeks Assisted Living and Memory Care in Riverview, Florida, through Twin Creeks-RLA, Inc. Mr. Ammons founded RLA in 1992 as a consulting firm and has expanded to include the development and management of senior care facilities including CCRCs, assisted living facilities and a nursing/rehabilitation facility. Mr. Ammons is an active member of LeadingAge and the Urban Land Institute, where he serves on the Senior Housing Committee. Mr. Ammons is a graduate of Wake Forest University with a degree in business and accounting.

Kyle Dilday, Vice President of Management/Operations. Age 63. Mr. Dilday has worked in the long-term care industry since 1982. In 1987, he joined the management staff at Springmoor, where he worked until joining RLA in 2008. Prior to joining Springmoor, Mr. Dilday served as a nursing home administrator in free-standing nursing facilities for five years. At Springmoor, Mr. Dilday served as an Associate Director and, for 12 years, he served as the Executive Director. In his capacity as Vice President of Management and Operations, Mr. Dilday works with the Executive Directors and Administrators of the RLA managed facilities in order to provide quality services. Mr. Dilday is an active member of LeadingAge and serves on its Public Policy Committee and on its Covid Task Force.

Rusty Mizelle, CPA-Chief Financial Officer. Age 64. Mr. Mizelle served for more than 13 years as the Chief Financial Officer and Controller of a CCRC, first at Springmoor (11 years) and then at Searstone (2 years). Mr. Mizelle has experienced retirement community management during all phases of development from start-up through maturity. At Springmoor, a notable accomplishment was the development of a 20-year capital improvement budget and the reserve funding requirements to meet long term organizational needs for a 500,000 square foot retirement community. At Searstone, Mr. Mizelle led the development of a successful financial team, systems, and processes featuring a unique financial structure.

Following is a list of existing and to be developed communities managed by RLA or its affiliates. Occupancy statistics are as of August 1, 2021.

<u>Name</u>	<u>Description</u>	<u>Units</u>	<u>Location</u>	<u>% Occupied</u>
Springmoor Life Care Retirement Community	CCRC	587	Raleigh, North Carolina	99%
Mars Hill Retirement Community	Assisted Living Community	69	Mars Hill, North Carolina	91%
Legacy at Mills River	Planned CCRC	454	Mills River, North Carolina	In Development
Twin Creeks Assisted Living and Memory Care	Assisted Living & Memory Care	96	Tampa, Florida	74% In Fill-Up Status
Ardenwoods	CCRC	141	Arden, North Carolina	96%
Plantation Oaks Assisted Living and Memory Care	Assisted Living & Memory Care	72	High Springs, Florida	94%

Management Agreement

Duties. The Corporation has entered into a Management Agreement with the Manager (the “**Management Agreement**”) dated September 22, 2020. The term of the Management Agreement commenced on October 1, 2020, is for a term of 123 months from the date of commencement and is scheduled to expire on December 31, 2030. Pursuant to the terms of the Management Agreement, the Manager is responsible for the management of the Community’s Independent Living Units, Healthcare Center and non-clinical aspects of the Community, including staffing, accounting and general administrative services.

Compensation. As compensation for services rendered pursuant to the Management Agreement, the Corporation is paying the Manager a Base Management Fee (the “**Base Management Fee**”) and will pay the Manager an Incentive Fee (the “**Incentive Fee**” and collectively with the Base Management Fee, the “**Management Fee**”).

The Base Management Fee is paid in the amount of \$27,500 per month during months 1-60 of the term of the Management Agreement, and \$31,000 per month during months 61-123 of the term of the Management Agreement. Upon issuance by the Town of Cary of a permanent certificate of occupancy for Phase II of the Community the amounts described above shall increase to \$36,575 per month for during the months 1-60 of the term of the Management Agreement and shall increase to \$41,230 per month for months 61-123 of the term of the Management Agreement.

The Incentive Fee is equal to the lesser of 1.00% of the Independent Living Monthly Fee Revenues collected with respect to the Community or 20% of the then applicable Base Management Fee.

The Management Fee is paid on a monthly basis. Commencing with the calendar year beginning on January 1, 2022, and for all subsequent calendar years, any increase in the Base Management Fee payable with respect to such calendar year over the Base Management Fee payable with respect to the prior

calendar year may not exceed \$68,500, and the amount of the Base Management Fee with respect to such calendar year in excess of such maximum is a “**Deferred Management Fee.**” In the event (1) the term of the Management Agreement is terminated effective on or before December 31, 2027, and (2) such termination is by reason of a Termination With Cause by Manager or is by reason of a Termination Without Cause by the Corporation, all Deferred Management Fees will be payable within 30 days of the effective date of such termination.

Employees

All Community employees are employees of the Corporation. Except for the Executive Director and other department heads, the Corporation has no input into such hiring of Community employees.

As of August 1, 2021, the Corporation employed 72 full-time employees and 42 part-time employees, for a total of 114 full-time equivalent employees (“**FTEs**”) in the Community. The Corporation provides its full-time employees with paid time off, comprehensive health insurance, and access to 401(k) retirement savings plan (the “**Retirement Plan**”). The Corporation’s employees are not represented by any labor unions, and management believes its relationship with its employees is good.

The Community had staff turnover of approximately 71% during fiscal year 2020. This is a decrease of 32% from 2019. Much of the staff turnover is limited to hourly-paid workers. In recent years the persons occupying many of the management level positions within the Community has been stable, including the Executive Director, the Chief Financial Officer, the Director of Sales and Marketing, the Director of Environmental Services, the Director of Life Enrichment, and the Director of Grounds.

The Corporation depends upon the Manager as an organization for performance of required services for the Community, and not on the individual employees of the Manager.

Biographies of Key Personnel at the Community

Following is a description of key personnel currently working at the Community. Other than the Medical Director (who is an independent contractor), all such personnel are employees of the Corporation. No representation is made that these particular persons will remain at the Community for any particular length of time. In the event of any turnover of these persons who are employees, the Manager will directly provide the services of such employee until a suitable replacement is located and provided. In the event of the termination of the independent contractor relationship with the Medical Director, the Manager will recruit a qualified person to serve as Medical Director.

Derrick Moore, Executive Director. Age 66. Mr. Moore joined the Community in April 2018 as Executive Director. Mr. Moore is originally from Tennessee and has worked in the long-term care industry for over 35 years. He began his career straight out of college as the Development Director of Alexian Brothers, which was then developing one of the first CCRCs in the southern United States, Alexian Village of Tennessee. After eight years and seeing the first phase of Alexian Village completed, Mr. Moore moved to Greenville, South Carolina to become the executive director of a new CCRC. Mr. Moore then moved to Atlanta, Georgia, to Memphis, Tennessee, and then to Louisville, Kentucky where he was with a CCRC for over 19 years before moving to Scottsdale, Arizona. Coming back to the southern United States, Mr. Moore worked in Atlanta, Georgia before moving to North Carolina to join the Community. Mr. Moore is licensed as a nursing home administrator in four states.

Mary P. Clements, Chief Financial Officer. Age 59. Ms. Clements joined the Community in January 2018 as Chief Financial Officer. Ms. Clements received a degree in Accounting from Virginia Polytechnic Institute and State University in 1984. Her experience includes service as Chief Financial

Officer of Westminster-Canterbury of the Blue Ridge, Controller of the Palmyra Plant for Tenaska Power Generating Station, and Area Director of Finance for Marriott Retirement Communities. She has volunteered at several youth and church organizations.

Sivaprasad Parnam, Brittany Place Administrator. Age 45. Dr. Parnam has worked in the long-term care industry for over 15 years, 12 years of which he served as a Program Director for a CCRC located in West Lafayette, Indiana. He received his undergraduate degree in Physiotherapy from Rajiv Gandhi University, India; his Doctor of Physical Therapy degree from Dominican College of Blauvelt in New York; and his MBA degree in Healthcare Management from University of Southern Indiana. Dr. Parnam holds a post-graduate Diploma in Osteopractic through the American Academy of Manipulative Therapy. Dr. Parnam and his wife, Sujatha, have a daughter and twin sons. He enjoys reading, gardening, and traveling with family.

Allie Ligay, Director of Sales and Marketing. Age 34. Ms. Ligay, a resident of Cary, joined the Searstone team in January 2016, and has over 15 years of experience in the senior living industry. She previously served as a Sales Director at Sunrise Senior Living.

Melanie Mintzer, MD, Medical Director. Age 68. Dr. Mintzer joined the Community as Medical Director in October 2019. Dr. Mintzer earned her bachelor's degree in Anthropology from Wellesley College in Wellesley, MA. She worked as a laboratory technician at Boston Children's Hospital before attending medical school at McGill University Faculty of Medicine in Montreal, Quebec. Dr. Mintzer completed her residency in Family Medicine at University of California, San Francisco, where she was Chief Resident in Family Medicine. She then worked for the San Francisco County Health Department in prenatal care before moving to North Carolina, where she completed a Teaching Fellowship in Family Medicine at the University of North Carolina at Chapel Hill. In 2005, Dr. Mintzer established Generations Family Practice, P.A, in Cary, which has grown from a two-person medical practice to the Patient-Centered Medical Home it is today. Dr. Mintzer has earned board certification by the American Board of Family Practice, a voluntary credentialing process and exam, which demonstrates a physician's exceptional expertise in Family Medicine.

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THE COMMUNITY

General

The Community presently consists of 131 independent living apartments (the “**Apartments**” or the “**Independent Living Apartments**”), 38 independent living estate homes (the “**Estate Homes**” or the “**Independent Living Homes**” and together with the Apartments, the “**Independent Living Units**”), 14 assisted living units (the “**Assisted Living Units**”), and 25 skilled nursing beds at the Brittany Place Healthcare Center (the “**Skilled Nursing Beds**” and together with the Assisted Living Units, the “**Health Care Center**” or the “**Brittany Place Healthcare Center**”), and common areas. Where applicable, the Apartments, Independent Living Apartments, Independent Living Units, Assisted Living Units, and Skilled Nursing Beds currently existing will be referred to as the “**Existing Apartments**,” “**Existing Independent Living Apartments**,” “**Existing Independent Living Units**,” “**Existing Assisted Living Units**,” and “**Existing Skilled Nursing Beds**.”

The Community is designed for people aged 62 and older. The Community has a capacity of approximately 317 residents (each, a “**Resident**”) at full occupancy, which accounts for potential double occupants of single Individual Living Units and Assisted Living Units. The common areas include multiple dining options (formal dining, private dining, and bistro dining), a spa/wellness center with indoor pool, library/business center, arts and crafts studio, living areas, club room, and other spaces. The Community offers gardens, walking trails and an approximately 16 acre lake. The Assisted Living Units and the Skilled Nursing Beds are located in a one-story configuration in the Brittany Place Healthcare Center. The initial phase of the Community (“**Phase I**”) opened in November 2013, when the Community first accepted Residents after completion of the construction and licensure.

The Corporation contemplates an expansion of the Community (“**Phase II**” or the “**Phase II Expansion**”), to be known as “*The Highview at Searstone*.” As currently contemplated, the Phase II Expansion will be an independent living and healthcare expansion project located on land owned by the Corporation which is adjacent to the Community, and will consist of (i) 152 additional Independent Living Units (the “**New Independent Living Units**”), together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional Assisted Living Units, including 14 specialized memory care units (the “**New Assisted Living Units**”), (iii) 24 additional Skilled Nursing Beds (the “**New Skilled Nursing Beds**”), (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation.

Cary, North Carolina

The Town of Cary, North Carolina (the “**Town**”) is a municipality in Wake and Chatham Counties. The Town is in the “Research Triangle” region of North Carolina and is in close proximity to Raleigh, Durham and Chapel Hill. The Town is the seventh largest municipality in North Carolina. The population of the Town was 94,536 in 2000 and 135,234 in 2010, an increase of 43.1%. The U.S. Census Bureau estimates that its population as of July 2019 was 170,282. Based on U.S. Census data compiled by Claritas, LLC, the 2021 projected median household income for the Town is \$109,537, compared with \$58,664 for North Carolina, and \$67,086 for the United States. The Town is located near Research Triangle Park, a 7,000 acre development in which more than 200 companies employing over 50,000 full-time employees are located. The University of North Carolina at Chapel Hill, with more than 29,000 students, is located approximately 20 miles from Cary in Chapel Hill. Duke University, with approximately 15,000 students, is located approximately 20 miles from Cary in Durham. North Carolina State University, with over 34,000 students, is located approximately 13 miles from Cary in Raleigh.

The Surrounding Area

Searstone Planned Development District. The Community is part of an approximately 74.64 acre land parcel (the “**Searstone Planned Development District**”) owned (or previously owned) by Sears Farm, LLC (“**Sears Farm**”). Mr. William W. Sears and his son J.D. Sears are the only members of Sears Farm. Sears Farm has no ownership interest in the Community. Phase I of the Community is located on approximately 23.98 acres within the Searstone Planned Development District which is owned by the Corporation (the “**Phase I Site**”). The Searstone Planned Development District includes an approximately 16.80 acre site for the development of a phase complementary to the Community, also owned by the Corporation (the “**Phase II Expansion Site**”), an approximately 17.58 acre site owned by Sears Farm or by Preston Farm, LLC, on which Sears Farm and Preston Farm, LLC intend to develop an active adult community (the “**Active Adult Community Site**”), and a 16.28 acre site owned by Sears Farm or by various third parties on which Sears Farm has developed and plans to develop commercial properties (the “**Commercial Site**”).

Phase II Expansion Site. The Master Plan for the Searstone Planned Development District, as approved by the Town of Cary (the “**Master Plan**”), provides for development of an additional phase of the Community on the Phase II Expansion Site. The Corporation acquired the vast majority of the Phase II Expansion Site from Sears Farm in December 2016 and acquired an additional 0.78 acre lot which is a part of the Phase II Expansion Site (“**Lot 37**”) from Sears Farm in April 2019. See “**PHASE II EXPANSION**” herein.

Commercial Site. Presently, there are several retail establishments operating adjacent to the Community, including various fast food restaurants, a Firestone auto service center, a Sherwin-Williams paint store, a real estate office and a CVS drugstore. The Commercial Site includes several additional lots to be developed in the future.

Area Amenities. WakeMed Cary Hospital, a 208-bed hospital, is located approximately seven miles from the site, and Rex Hospital, a 559-bed hospital which is a part of the University of North Carolina Health Care System, is located approximately 13 miles from the site. Duke University Hospital and UNC Hospitals are each approximately 20 miles from the site. A shopping center is located near the entrance to the Community with a grocery store, drug store, retail shops, and restaurant. The Community is located near three golf courses, including two private country clubs, Prestonwood Country Club and MacGregor Downs Country Club, and one semi-private country club, Lochmere Golf Club, all within 11 miles of the Community.

Licensure and Memberships

The Community is operated as a Continuing Care Retirement Community as defined in Article 64 of Chapter 58 of the North Carolina General Statutes. The Corporation has received from the North Carolina Department of Insurance a Permanent License, authorizing the Corporation to offer and provide continuing care at the Community.

The Corporation has received from the North Carolina Department of Health and Human Services (“**NCDHHS**”) a certificate of need and a license for the operation of the 25 Existing Skilled Nursing Beds in the Brittany Place Healthcare Center. The Corporation has also received from NCDHHS a certificate of need and a license for the provision of adult home care services utilizing the Existing 14 Adult Care Beds (i.e., the Existing Assisted Living Units) within the Community.

The Community is a member of LeadingAge (both national and state memberships).

See “**BONDHOLDERS’ RISKS – State Regulatory Issues**” in the front part of the Official Statement.

LSA Affiliation Agreement

In 2012, the Corporation has signed an affiliation agreement (the “**LSA Affiliation Agreement**”) with Lutheran Services for the Aging, Inc. (“**LSA**”), a North Carolina nonprofit corporation. LSA was founded in 1960 by the North Carolina Synod of the Evangelical Lutheran Church in America. In 1962, LSA established its first nursing home in Hickory, North Carolina. LSA currently owns and operates one rental retirement community, two CCRCs/Life Plan Communities, three nursing home communities, two nursing home/assisted living communities, an adult day services program, and a home care agency in various locations throughout the State of North Carolina.

The Corporation and LSA established an affiliation for the purpose of LSA providing the benefit of its experience in operating CCRCs and in governance of nonprofit corporations. LSA is not responsible for any financial or other obligations of the Corporation. The Corporation engaged LSA to provide community benefits because LSA has significant experience in providing community benefits in the cities in which it operates. For the year ended December 31, 2020, the Corporation paid LSA \$662,762 pursuant to the LSA Affiliation Agreement.

North Carolina law permits property tax exemption for a “qualified retirement facility” in which at least 5% of the facility’s gross revenue in the stabilized year is provided in charitable care to its residents or benefits to the community at large (the “**Charity Care / Community Benefits Requirement**”). In the LSA Affiliation Agreement, the Corporation has agreed to comply with the Charity Care / Community Benefits Requirement to achieve the statutory property tax exemption. LSA has secured property tax exemptions for its communities as a result of its community benefits programs described above. See “**BONDHOLDERS’ RISKS – Local Tax Assessment and Property Tax Exemption**” in the front part of the Official Statement.

Entrance Fees and Monthly Service Fees

There are two types of residency fees required from all Independent Living Unit Residents of the Independent Living Units executing a Membership and Residency Agreement (a “**Residency Agreement**”). The first is a lump-sum, one-time payment, the amount of which is based on the type of Independent Living Unit to be reserved and subsequently occupied by the Resident (the “**Entrance Fee**”). To reserve an Independent Living Unit, a prospective Resident must execute a Residency Agreement, provide a disclosure of health and finances, and make an initial payment equal to 10% of the Entrance Fee (the “**Entrance Fee Deposit**”) prior to or upon execution of the Residency Agreement. The Entrance Fee Deposit is 100% refundable and the prospective Resident is entitled to any interest earnings actually earned on the Entrance Fee Deposit. The prospective Resident must pay the remaining 90% of the Entrance Fee not later than 60 days after the date that the Corporation sends written notice to the Resident that the residential unit chosen is or will be ready for occupancy. Residents also pay a monthly service fee for the first Resident in an Independent Living Unit (the “**Monthly Service Fee**”) for services provided by the Community, the amount of which depends on the type of Existing Independent Living Unit and service package selected by the Resident. Residents pay Entrance Fees and Monthly Service Fees that vary based on whether the Resident is enrolled in the Type A – Life Care program or Type C – Fee for Service program.

Type A – Life Care. The Entrance Fee under the Life Care program has two components: the Residential portion which is 100% refundable (and identical to the Entrance Fee for the Fee for Service program), and the Life Care portion for which the refund amortizes 2% per month until it is fully amortized to 0% refundable after 50 months. A second occupant within a residence under this plan must pay the

Second Person Life Care Entrance Fee which amortizes at 2% per month in the same manner. There are two Monthly Service Fee plans, the base Gold Package and the Platinum Package that provides more meals and housekeeping. There is a Second Person Monthly Service Fee for a second occupant within a residence.

Type C – Fee for Service. The entire Entrance Fee under the Fee for Service program is 100% refundable. There are two Monthly Service Fee plans; namely, the base Gold Package, and the Platinum Package that provides more meals and housekeeping. There is a Second Person Monthly Service Fee for a second occupant within a residence. The Type C Fee for Service program is no longer available to Residents who are not already enrolled in the Type C Fee for Service program.

The Corporation offered pre-construction incentives (the “**Phase I Pre-Construction Incentives**”) to Residents of the Existing Independent Living Units. The Phase I Pre-Construction Incentives were offered to Residents who reserved a Existing Independent Living Unit prior to the commencement of construction of the Community. The Phase I Pre-Construction Incentives included five percent interest on the Entrance Fee Deposit, discounts on Entrance Fees, free upgrades, and two free months of the Monthly Service Fee. Approximately 65 Residents received the Phase I Pre-Construction Incentives.

Financial Hardship. It is the intent and policy of the Corporation to not terminate the residency of a Resident solely by reason of the financial inability of the Resident to pay the Monthly Service Fee. When a Resident establishes facts to justify the need for financial assistance as determined by the Corporation in its reasonable judgment, the Corporation may, in its discretion and subject to funds availability, advance funds to help a Resident pay his or her Monthly Service Fee. Such advances, plus simple interest at the prime rate then noted in the “Money Rates” column of *The Wall Street Journal* from the date when such advances are made to the date when such advances are repaid or otherwise satisfied, is charged against the refundable portion of a Resident’s Entrance Fee. In the case where such advances exceed the amount of the Resident’s Entrance Fee refund, as determined in accordance with the Residency Agreement, the Corporation may, in its discretion and subject to funds availability, waive some or all of a Resident’s Monthly Service Fee, but only if the Resident has not intentionally depleted assets needed to pay his or her Monthly Service Fee.

Net Entrance Fees and Turnover

Net Entrance Fee received and turnover for the Existing Independent Living Units for the Fiscal Years 2013–2020 is set forth below.

Fiscal Year	Total Existing Independent Living Units	Existing Independent Living Unit Move Ins	Existing Independent Living Unit Move Outs	Number of 10% Reservation Fees Received	Number of 10% Reservation Fees Cancelled	Net Entrance ⁽¹⁾ Fees Received
2020	169	17	13	16	2	\$4,576,450
2019	169	13	14	20	5	2,349,074
2018	169	12	15	13	2	-314,656
2017	169	6	12	15	1	2,662,000
2016	169	24	8	19	5	7,741,000
2015	169	22	8	36	14	8,568,000
2014	169	71	5	45	12	28,555,000
2013	169	80	9	41	32	35,070,000

(1) Net entrance fees reflect refundable portion only.

Waiting List

The Community has a Waiting List program for prospective Residents. If a prospective Resident expresses the desire to move to the Community and there are no Independent Living Units available in the type desired, the prospective Resident may be placed on a Waiting List. Placement on the Waiting List requires a completed application, payment of a \$300 non-refundable application fee, and payment of a \$5,000 refundable deposit. The prospective Resident will be informed by the Manager as to his or her placement location on the Waiting List and the Manager will update the prospective Resident periodically as to their location on the waiting list.

The Corporation invites all prospective Residents on the Waiting List to special events at the Community and to eat in the dining room at the Community so they can begin to develop relationships with the staff and current and prospective Residents. When a Existing Independent Living Unit of the type desired by a prospective Resident becomes available, the Manager contacts the prospective Resident and begins the process of necessary evaluations to confirm that the prospective Resident is eligible for residency at the Community. Once the Manager confirms that prospective Resident's eligibility for residency at the Community, the Manager and the prospective Resident schedule a move-in date. If a Existing Independent Living Unit of the type desired by a prospective Resident becomes available, is offered to the prospective Resident, and the prospective Resident declines the opportunity to move into that residence, the prospective Resident will remain at their current location on the waiting list and the Manager contacts the next prospective Resident on the waiting list who desires that type of Existing Independent Living Unit.

Existing Independent Living Units

The Existing Independent Living Units include Apartments located in four buildings (i) the "Winston Clubhouse," a three-story building, includes 40 Independent Living Apartments; (ii) the "Calais Terrace," a four-story building, includes 49 Independent Living Apartments; (iii) the "Lorraine Plaza," a three-story building, includes 26 Independent Living Apartments; and (iv) the "Lakeside Flats," a two-story building, includes 16 Independent Living Apartments. The Independent Living Units also include 38 Estate Homes with one, two, and three-story options. In addition, the Estate Homes also offer bonus room and elevator options.

The following table summarizes the type, number, approximate square footage, Monthly Service Fees and Entrance Fee for the Existing Independent Living Apartments and the Independent Living Homes.

Existing Independent Living Unit Configuration

Floor Plan	Number Of Units	Square Footage	100% Refundable Entrance Fee⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fee - Type A⁽¹⁾⁽⁴⁾
<u>One Bedroom</u>				
Asturian	14	931-1097	\$395,000 - \$410,000	\$3,410-\$3,640
Breton	4	1,039	\$378,000	\$3,600
Galacian	6	1,165	\$395,000	\$4,210
Finnhorse	4	1,280	\$420,000	\$4,330
Belgian	4	1,194-1,356	\$430,000 - \$447,000	\$4,210-\$4,430
Clydesdale	2	1,370	\$452,000	\$4,430
Danube	6	1,402	\$452,000	\$4,430
<u>Two Bedroom</u>				
Buckskin	22	1,204-1,415	\$460,000-\$572,000	\$4,210-\$4,440
Buckskin-Terrace	2	1,750-1,760	\$639,000	\$6,140
Hackney	5	1,478-1,500	\$495,000-\$505,000	\$5,460-\$5,470
Shetland	8	1,562	\$561,000	\$5,650
Dartmoor	12	1,765-1,793	\$583,000-\$600,000	\$6,140
Highland	8	1,866-1,924	\$610,000-\$615,000	\$6,230

Floor Plan	Number Of Units	Square Footage	100% Refundable Entrance Fee⁽¹⁾⁽²⁾⁽³⁾	Monthly Service Fee - Type A⁽¹⁾⁽⁴⁾
<u>Two Bedroom/Den</u>				
Haflinger	5	1,578-1,636	\$526,000-\$531,000	\$5,650-\$5,680
Campolina	4	2,000	\$726,000	\$6,380
Highland II	8	1,945-2,006	\$620,000-\$641,000	\$6,260-\$6,430
Caspian	2	1,811-2,092	\$726,000-\$728,000	\$6,180-\$6,430
Pegasus	8	1,853	\$609,000	\$6,200
Appaloosa	1	2,085	\$667,000	\$6,430
Estonian	6	2,238-2,294	\$715,000	\$6,780
<u>Estate Homes</u>				
Under 2,500 Square Feet	30	1,766-2,394	\$561,000-\$794,000	\$6,140-\$7,000
Over 2,500 Square Feet	8	2,558-3,914	\$791,000-\$883,000	\$7,110-\$7,640
Total / Weighted Average - All Units				
	169	1,710	\$579,240	\$5,489
Second Person – Monthly Membership Fees⁽¹⁾⁽⁴⁾				\$1,530
Life Care Entrance Fee⁽³⁾		\$67,000		

Source: Management.

- (1) Entrance Fee pricing is effective January 1, 2021. The Monthly Service Fee pricing is effective as of January 1, 2021. Prices are subject to change.
- (2) The Corporation initially offered a “Type A” life care plan and a “Type C” fee for service plan to prospects who contracted prior to the start of construction. Subsequently, all contracts are Type A contracts. The 100% refundable Residential portion of the Entrance Fees under both Type A and Type C contracts were the same.
- (3) “Type A” contracts require the payment of an additional Life Care fee per person. The Life Care fee amortizes pro-rata at a rate of 2% per month and is fully amortized after 50 months. The Life Care fee pricing is effective as of January 1, 2021.
- (4) The Community offers two resident service packages: the “Gold Package” and the “Platinum Package.”
 - a. The Monthly Service Fees shown in the table above reflect the Gold Package. The Gold Package provides for 15 meals per month and monthly housekeeping.
 - b. The Monthly Service Fees for the Platinum Package are an additional \$320 per month for one Resident (plus an additional \$210 for a second person). The Platinum Package provides for one meal per day and weekly housekeeping.

The Brittany Place Healthcare Center

Admittance to the Brittany Place Healthcare Center is restricted to those Residents who have signed a Residency Agreement and are transferring from an Independent Living Unit. A Resident may move into the Brittany Place Healthcare Center when the Resident’s level of care evaluation indicates that the Resident cannot manage their affairs independently (with or without assistance) without risk to others who do not need regular nursing care.

The Community provides multiple services to Residents in the Brittany Place Healthcare Center to meet the health status and social needs of Residents, including dining, recreational and social activities that are designed and supervised by qualified health professionals in accordance with regulations, utilities, housekeeping, and linen service. In addition, staff assists Residents of the Brittany Place Healthcare Center with activities of daily living, medication management, and nutritional assessment by a licensed dietician.

Residents requiring skilled nursing services may move into the Skilled Nursing Beds, either on a temporary or permanent basis. If a Resident’s stay in the Assisted Living Units or Skilled Nursing Beds is temporary, the Resident maintains his or her Independent Living Unit and pays the Monthly Service Fee as defined in his or her contract. If permanent transfer is required, the Resident releases his or her Independent Living Unit and moves to the Assisted Living Units or the Skilled Nursing Beds. After permanent placement to the higher level of care and release of the Independent Living Unit, the Resident continues to pay the Monthly Service Fee.

The Skilled Nursing Beds and Assisted Living Units also offer therapy and hospice services. Because the Community does not participate in Medicare, the Resident must use private insurance or personal funds. Residents are subject to additional charges for certain supplies and services. See “**Healthcare Benefit**” below for additional description of the Community’s Life Care benefit.

There are currently 14 Existing Assisted Living Units that are approximately 500 square feet each. There are currently 25 Existing Skilled Nursing Beds which are approximately 300 square feet each. Residents under Type A - Life Care Plans will pay the same Monthly Service Fee, plus the cost of additional meals, when residing in the Brittany Place Healthcare Center as they would pay in their Independent Living Unit. Residents under Type C – Fee For Service Plans will pay the following fees for assisted living services and skilled nursing services within Brittany Place:

- Assisted Living Unit per diem fee in 2021 - \$232
- Skilled Nursing Bed per diem fee in 2021 - \$434

The Type C - Fee for Service Plan is no longer available to new Residents.

As of August 1, 2021, 27 of the 39 Existing Assisted Living Units and Existing Skilled Nursing Beds were occupied.

Increases in Monthly Service Fees

The Corporation periodically increases Monthly Service Fees. The Corporation will provide a Resident with 30 days’ notice of any change in Monthly Service Fees. Such notice will set forth the effective date of the new Monthly Service Fee and the amount of the change. The Corporation’s present policy is to increase the Monthly Service Fee on January 1 of each year, if the Corporation deems such increase is necessary to meet the financial needs of operating the Community or to provide services to its Residents. The Corporation reserves the right to increase Monthly Service Fees more often than once each year if the Corporation deems such increase is necessary to meet its financial obligations.

The following table below shows the Community’s historical rate increases:

<u>Resident Fee Increases – Existing Independent Living Units</u>					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Entrance Fee - Residential Portion	5.31%	2.81%	2.26%	1.00%	2.00%
Entrance Fee Life Care Portion	5.51%	0.00%	14.89%	4.50%	4.80%
Monthly Service Fee	5.50%	4.50%	4.50%	4.50%	4.50%

Source of Resident Service Revenue

The table below sets forth the gross resident service revenues for all levels of care, net of contractual adjustments, for the Community by payor source for the Fiscal Years ended 2018 through 2020.

Payor	2018	2019	2020
Private Pay – Independent Living	\$8,533,376	\$8,955,236	\$9,596,009
Private Pay – Assisted Living	432,299	400,689	572,315
Private Pay – Skilled Nursing	814,599	851,792	827,190
Other Revenues	894,935	960,840	1,031,974
Entrance Fee amortization	1,018,854	1,104,854	1,137,636
Amortization of unit upgrade deposit fees	84,823	61,216	104,295
Contributions	20,562	56,305	39,931
Investment Income	148,857	872,423	540,608
Total	\$11,948,305	\$13,263,355	\$13,849,958

Services to Residents

The Community is a full-service CCRC. Residents pay an Entrance Fee and a Monthly Service Fee. The Platinum Package offers more meals and more housekeeping services than the Gold Package. Residents can change their service package option on a monthly basis. The Monthly Service Fee includes the following basic services:

- Scheduled dining in the dining venues. Under the Platinum Package, a monthly dollar credit amount of \$452 per person is included as part of the Monthly Service Fee. Under the Gold Package, a monthly dollar credit amount of \$226 per person is included as part of the Monthly Service Fee.
- Housekeeping services under the Platinum Package are provided every week. Housekeeping services under the Gold Package are provided once per month.
- Utilities included are heating, air conditioning, water, sewer, electricity, basic cable television services, wireless internet access in common areas, and wiring for telephone.
- Driver services consisting of scheduled car or other transportation services for the convenience of Residents, for example to local shopping areas, to medical appointments, and to places of worship.
- Interior and exterior maintenance of all residences, including all provided appliances, fixtures, systems, lawns, gutters, and windows. Appliances provided include a range, microwave, refrigerator with icemaker, dishwasher, garbage disposal, and washer and dryer.
- Call system and response to calls for emergencies available around the clock.
- Recreational, social and cultural events as scheduled and planned for those Residents interested in participating. The Community employs a Resident Life Services Director to plan and coordinate recreational, social, educational, and special events.

- Common areas for Residents and their guests include the Winston Clubhouse, restaurant, private dining for personal parties and special events, a café, lounge areas, health and fitness club, aquatic center, and administrative areas.
- Building and grounds maintenance and housekeeping of common areas.
- Additional storage for Lorraine Plaza, Calais Terrace, LakeSide Flats, and Clubhouse residences for a Resident's personal belongings.
- Smoke detection and sprinklers in all areas both common and multi-story residential. There are not sprinklers in Estate Homes. A generator is available to power the Clubhouse in case of emergency or power outage.
- For Residents residing in LakeSide Flats or Estate Homes, covered parking is provided per residence. For Residents residing in Calais Terrace under-building parking is available. For Residents residing in Lorraine Plaza, parking is provided adjacent to the Lorraine Plaza building. The Corporation provides valet parking to Residents residing in the Clubhouse.

The Corporation provides additional services for an additional fee including additional dining, additional housekeeping, additional maintenance, personal transportation, linen services, non-emergency response calls to residences, traveler's services, and other concierge services. The Resident is responsible for the cost of Resident's physician services, hospital services, prescription drugs, durable medical equipment, and prescribed therapies. Certain skilled nursing services and rehabilitation are provided by outside providers and are billed by the outside provider to Medicare and the Resident, as appropriate.

Healthcare Benefit

Under the Residency Agreement, the Community provides assisted living and nursing care services in the Brittany Place Healthcare Center. The Monthly Service Fee for Residents who transfer to the Brittany Place Healthcare Center is based on the Entrance Fee plan selected: Type A Plan or Type C Plan.

Residents who select the Type A Plan and are transferred to the Brittany Place Healthcare Center continue to pay their Monthly Service Fee plus the cost of two additional meals per day. In the event the Assisted Living Units or the Skilled Nursing Beds are full, the Corporation provides a Resident's home health services in the Resident's Independent Living Unit at no additional fee. If a Resident requires additional nursing services, management arranges for nursing care to be provided in an appropriate nursing establishment until available occupancy in the Skilled Nursing Beds is available.

Residents who selected the Type C Plan and are temporarily or permanently transferred to the Brittany Place Healthcare Center pay the then-current Monthly Service Fee for assisted living or daily fee for nursing care services. In addition, in the event the Assisted Living Units are full, the Corporation provides a Resident's home health services in the Resident's Independent Living Unit at an additional charge. In the event that the Skilled Nursing Beds are full, a Resident is provided access to outside nursing services at the expense of the Resident. The Type C Plan is no longer offered to new Residents.

Residency Agreements

The Residency Agreement is a contract under which the Corporation is obligated to provide certain services to a Resident that has established occupancy at the Community. The Corporation considers applications for residence at the Community based on the guidelines for acceptance of Residents described below and maintains the sole discretion to accept a Resident. The Corporation will generally accept as

Residents persons 62 years of age or older who are capable of living independently as outlined in the Residency Agreement and who have financial resources sufficient to pay the applicable Entrance Fee, the ongoing Monthly Service Fees and all other anticipated living expenses not provided for under the terms of the Residency Agreement. In the case of married couples, one spouse may be younger than 62 but must be older than 55 years of age. Residents selecting the Type A Plan are required to subscribe to Medicare Parts A and B and to maintain supplemental health insurance acceptable to the Corporation.

Termination and Refunds

Termination Prior to Occupancy. Under either type of Entrance Fee plan, a Resident may terminate the Residency Agreement within a 30 day “Rescission Period” after execution and receive a full refund of the Entrance Fee Deposit, including actual interest earned, payable within five business days of receipt of the Resident’s written request, less cost associated with optional amenities. After the Rescission Period, if the prospective Resident terminates the Residency Agreement before they establish residency, the Resident is to receive a full refund of the Entrance Fee Deposit, including actual interest earned, payable within 60 business days of receipt of the Resident’s written request, less cost associated with optional amenities. The Entrance Fee Deposits are currently invested in a money market fund with a commercial bank.

Termination After Occupancy. If the Residency Agreement is terminated after occupancy for any reason, or is terminated due to the death of the Resident(s), a portion of the Entrance Fee is refunded as determined by the Entrance Fee plan selected by the Resident.

Upon termination of a Type A Plan Residency Agreement after residency has been established (if the Resident occupies the Independent Living Unit at the time of termination), the refund will be paid upon the Community’s receipt of the total Entrance Fee from another Resident for the same Independent Living Unit vacated by the Resident. The Life Care portion of the Entrance Fee amortizes at the rate of two percent per month for 50 months starting the month the balance of the Entrance Fee is paid.

Upon termination of a Type C Plan Residency Agreement after residency has been established (if the Resident occupies the Independent Living Unit at the time of termination), the refund will be paid upon the Community’s receipt of the total Entrance Fee from another Resident for the same Independent Living Unit vacated by the Resident.

If a Residency Agreement has been signed by two Residents, in the event that one Resident dies, terminates the Residency Agreement or is transferred permanently to the Brittany Place Healthcare Center, the Residency Agreement continues in effect as to the surviving or the remaining Resident. There is no refund of any portion of the Entrance Fee, and the Monthly Service Fee is adjusted to the then applicable single occupancy Monthly Service Fee.

Insurance

The Community has insurance it believes is sufficient to insure itself against risks associated with the ownership and operation of a CCRC. In particular, the Corporation carries a comprehensive package of insurance including property, crime, general liability, medical professional liability, various management liability, automobile, workers compensation and umbrella policies.

Covid-19

Covid-19 is a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization on March 11, 2020. Covid-19 has affected travel, commerce, and financial markets globally and is impacting capital markets and economic growth internationally.

The Community is following the guidance for senior living and long-term care facilities published by the Centers for Disease Control and Prevention, the Centers for Medicare & Medicaid Services, and the North Carolina Department of Health and Human Services. To date, there have been limited confirmed cases of Covid-19 among the Facility's residents and staff. Most have been asymptomatic. Activities, marketing and dining have been modified to comply with all regulations. As of August 1, 2021, 99% of Community Residents have received the two-part Covid-19 vaccine, and 96% of Community employees staff are fully-vaccinated for Covid-19. Effective October 15, 2021, the Manager has required all Community employees (existing and new) to be fully-vaccinated for Covid-19 unless they have a religious or medical exemption.

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RESERVATIONS AND OCCUPANCY

Reservations

A prospective Resident may reserve an Existing Independent Living Unit at the Community by executing a Residency Agreement and submitting payment of the Entrance Fee Deposit for the Existing Independent Living Unit selected. The execution of a Residency Agreement does not constitute a binding commitment to establish occupancy at the Community on the part of any prospective Resident. Prospective Residents may terminate their Residency Agreements from time to time and receive refunds of all amounts paid to the Corporation, less a processing fee. See “**Termination and Refunds – Termination Prior to Occupancy**” above.

Current Occupancy

As of August 1, 2021, 166 of the 169 available Existing Independent Living Units (representing 98% of the total available Existing Independent Living Units of the Community) were occupied and 27 of the 39 available Existing Health Care Center Units were occupied (representing 70% of the total available Existing Health Care Center Units).

Historic Community Reservation and Occupancy Data

Below is a table showing the occupancy and reservation trends at the Community for the last seven fiscal years.

Existing Independent Living Units Occupancy

Fiscal Year / Date	Existing Independent Living Units Occupied	% of Existing Independent Units Occupied	Occupied and Reserved Existing Independent Living Units	% of Occupied and Reserved Existing Independent Units	Existing Independent Unit Wait List Deposits⁽¹⁾
8/1/2021	166	98%	169	100%	101
2020	167	99%	169	100%	89
2019	165	98%	169	100%	78
2018	164	97%	168	99%	63
2017	160	94%	168	99%	59
2016	158	93%	165	97%	60
2015	143	84%	155	92%	46
2014	126	74%	141	83%	18

(1) The Community began a wait list program in June 2014 and began to convert contract reservation deposits to the waiting list. The wait list figures from June 2014 through June 2016 reflect the number of individuals on the waiting list as listed by the Community’s management.

Below is a table showing the occupancy and reservation trends at the Brittany Place Healthcare Center:

Brittany Place Healthcare Center Occupancy

Fiscal Year / Date	Existing Assisted Living Units	Existing ALUs Occupied	Existing ALUs Reserved	% Occupied	Existing Skilled Nursing Beds	Existing SNBs Occupied	Existing SNBs Reserved	% Occupied
8/1/2021	14	9	0	64.29%	25	18	0	72.00%
2020	14	12	0	85.71%	25	9	0	36.00%
2019 ⁽¹⁾	14	9	0	64.29%	25	11	0	44.00%
2018	8	8	0	100.00%	16	15	0	93.75%
2017	8	8	0	100.00%	16	16	0	100.00%
2016	8	8	0	100.00%	16	15	0	93.75%
2015	8	7	0	87.50%	16	12	0	75.00%
2014	8	5	0	62.50%	16	12	0	75.00%

(1) 6 additional Existing Assisted Living Units and 9 additional Existing Skilled Nursing Beds were licensed effective May 14, 2019.

Marketing

Pursuant to the Management Agreements, the Manager is responsible for the marketing and ongoing leasing of the Corporation's Independent Living Units, Assisted Living Units, and Skilled Nursing Beds, as well as other marketing related aspects of the Community, including the coordination and management of marketing staff and the supervision and implementation of the Community's marketing and sales plan. The marketing strategy for fiscal year 2021 includes but is not limited to a combination of lead generated events, direct mail, advertising, public relations, referrals and community outreach, will increase both the leads and re-inquiries to assist in continued sales goals being met. These efforts will simultaneously raise awareness, build the brand and generate qualified leads. Each tactic will have a compelling message that will encourage and motivate prospects to contact the community via phone or by visiting the sales office or website.

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PHASE II EXPANSION

Expansion

As noted, the Corporation contemplates undertaking the Phase II Expansion, which will be an expansion of the Community to be known as “*The Highview at Searstone*.” In December 2016 the Corporation acquired approximately 16.01 acres of land within the PDD and located adjacent to the property currently comprising the Community, which the Corporation intends to use for the Phase II Expansion. In 2019 the Corporation acquired an additional 0.78 lot within the PDD which was surrounded by other property already owned by the Corporation (“**Lot 37**”), and which the Corporation intends to also use as for the Phase II Expansion. The 16.01 acre site and Lot 37 are referred to as the “**Phase II Expansion Site**.”

The Phase II Expansion will consist of (i) 152 additional Independent Living Units (the “**New Independent Living Units**”), together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional Assisted Living Units, including 14 specialized memory care units (the “**New Assisted Living Units**”), (iii) 24 additional Skilled Nursing Beds (the “**New Skilled Nursing Beds**”), (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation.

Land Purchase

Pursuant to a Purchase Agreement between Sears Farm and the Corporation (the “**Land Purchase Agreement**”), the Corporation purchased from Sears Farm the Phase II Expansion Site (other than Lot 37) in December 2016 for a purchase price of \$8,550,000 (the “**Purchase Price**”). At the closing, Sears Farm received from the Corporation (i) a payment of \$2,750,000 (the “**Closing Payment**”), and (ii) a Purchase Money Promissory Note (the “**Purchase Money Note**”) in an amount equal to the Purchase Price net the Closing Payment, such Purchase Money Note bearing interest at 3% per annum with quarterly payments until maturity and such Purchase Money Note being secured by a Purchase Money Deed of Trust executed pursuant to N.C. Gen. Stat. § 45-21.38 and constituting a second priority lien on the Phase II Expansion Site (other than Lot 37) (the “**Purchase Money Deed of Trust**”). Per North Carolina law, the Purchase Money Note is non-recourse as to the Corporation.

Sears Farm Bankruptcy

Pursuant to the Purchase Agreement, Sears Farm granted to the Corporation an option to “swap” one of the lots within the Phase II Expansion Site for Lot 37 (the “**Lot Swap**”). The Purchase Agreement also required Sears Farm to cooperate with the Corporation in its efforts to obtain Town of Cary approval for amendment of the Master Plan in order to accommodate the Corporation’s efforts to undertake the Phase II Expansion.

The Corporation determined that it desired to proceed with the Lot Swap, and in January 2018 submitted to Sears Farm an Application for Rezoning which when approved by the Town of Cary would amend the Master Plan so as to allow the Corporation to proceed with the Lot Swap. Sears Farm refused to comply with the Corporation’s request, and in February 2018 the Corporation commenced litigation in the North Carolina state courts to require Sears Farm to comply with its contractual obligations (the “**State Court Action**”).

In March 2018 Sears Farm commenced a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Eastern District of North Carolina (the “**Sears Farm Bankruptcy**”). The Sears Farm Bankruptcy resulted in an “automatic stay” of the State Court Action.

Sears Farm had guaranteed the Corporation’s obligations in connection with the Series 2016 Bonds (the “**Sears Farm Guaranty**”). Sears Farm had also granted a deed of trust encumbering certain of its real property within the Searstone Planned Development District as security for Sears Farm’s guaranty of those obligations (the “**Sears Farm Deed of Trust**”). The Sears Farm Bankruptcy constituted a default under the Sears Farm Guaranty and the Sears Farm Deed of Trust. The Master Trustee contended that the Sears Farm Bankruptcy also constituted a default under the Series 2016 Bonds, which in turn constituted a default under the Series 2017 Bonds (the “**Alleged Defaults**”).

The parties’ disputes were resolved, as reflected in a Mediated Settlement Agreement (and a more fulsome Settlement Agreement among Sears Farm, the Corporation, and the Master Trustee executed and delivered in April 2019) (the “**Settlement Agreements**”). In the Settlement Agreements the Master Trustee waived the Alleged Defaults. A Plan of Reorganization for Sears Farm, which incorporated provisions of the Settlement Agreements, was confirmed by the Bankruptcy Court in May 2019 (the “**Plan**”).

Pursuant to the Settlement Agreements and the Plan, among other things:

- The Corporation paid to Sears Farm the sum of \$1.0 million (the “**1.0 Million Payment**”);
- Sears Farm conveyed to the Corporation Lot 37;
- The Purchase Money Note was modified, to (i) reflect the \$1.0 million Payment as a credit against the principal balance thereof, (ii) reduce the principal balance thereof by an additional \$2,311,530 (such that the remaining principal balance thereof was reduced to \$2.0 million), (iii) eliminate any obligation for interest to accrue on the unpaid principal balance of the Purchase Money Note from its inception, and (iv) extend for one year; i.e., until October 31, 2022, the “outside” maturity date of the Purchase Money Note;
- Certain other pre-existing agreements between the Corporation and Sears Farm were modified;
- The Sears Farm Guaranty was modified;
- The Sears Farm Deed of Trust was modified to, among other things, release therefrom certain of the real property owned by Sears Farm; and
- The documentation of the Series 2016 Bonds and the Series 2017 Bonds was modified, to among other things, reflect the foregoing and to (i) increase the original interest rate on the Series 2016 Bonds by 0.3125% per annum, (ii) increase the original interest rates on the Series 2017 Bonds by 0.3125% per annum, (iii) revise the financial covenants applicable to the Series 2016 Bonds and the Series 2017 Bonds, including the Debt Service Ratio Covenant and Liquidity Covenant, (iv) modify the terms of the security for the Series 2016 Bonds and the Series 2017 Bonds, (v) establish an Interest Reserve Fund, initially in the amount of \$1,500,000 funded by the Corporation, with the money on deposit in such fund to be used solely to pay interest on the Series 2016 Bonds and the Series 2017 Bonds, and (vi) establish a Series 2016 Additional Reserve Fund, initially in the amount of \$500,000 to be funded by Sears Farm from the proceeds of the first sale by Sears Farm of certain of its real property, with the money on deposit in such fund to be applied to the payment of the Series 2016 Bonds upon their stated maturity or any earlier acceleration or redemption in full. See “**SECURITY FOR THE SERIES 2020 BONDS**”

- **The Master Indenture, Debt Service Reserve Fund, Covenants**” in the front part of the Official Statement.

Sears Farm Agreements

The Purchase Money Note. The Purchase Money Note as modified provides that the \$2.0 million principal balance thereof is payable in full, without interest, in a single payment due on the earlier of (i) October 31, 2022, or (ii) the closing of a financing providing construction funding for the Phase II Expansion in an amount sufficient to construct approximately 152 independent living units. The Corporation expects to pay the Purchase Money Note in full in connection with the issuance of the Series 2021 Bonds.

William W. and Rita Sears Residency. From and after March 27, 2019, William W. Sears and his spouse Rita Sears may continue to reside in their residence within the Community, and will not be obligated to pay to the Corporation an amount equal to the monthly “Membership Fee” and up to \$600 per year of “Other Charges” otherwise payable by William W. Sears or Rita Sears, pursuant to their Membership & Residency Agreement with the Corporation. From and after the date the Purchase Money Note is paid and satisfied in full, the monthly Membership Fee and Other Charges in excess of \$600 per calendar year will be applied in reduction of the potential Entrance Fee refund payable to or with respect to William W. Sears or Rita Sears, in the manner provided in their Membership & Residency Agreement with the Corporation. In the event that the potential Entrance Fee refund payable to or with respect to William W. Sears or Rita Sears is reduced to \$0.00 as the result of the reduction described in the preceding sentence, William W. Sears and/ or Rita Sears may continue to reside in their residence within the Community, and will not be obligated to pay in cash to the Corporation the monthly Membership Fee or up to \$600 per calendar year of Other Charges. William W. Sears or Rita Sears are otherwise required to abide by all provisions of their Membership & Residency Agreement with the Corporation.

Stormwater System. The Corporation has engaged WithersRavanel, Inc., a North Carolina corporation (the “**Engineer**”), to assist with the engineering, evaluation, and design of all necessary improvements and modifications to the existing stormwater retention and detention structures and facilities serving the Searstone Planned Development District and the Community (the “**Stormwater System**”). Pursuant to the Settlement Agreements:

- The Corporation has agreed to work with the Engineer and the Town of Cary to finalize a plan for the Stormwater System, to allow the Corporation to undertake the Phase II Expansion in accordance with its plans and consistent with the approved Master Plan, and to address the existing stormwater management of Phase I, Phase II, and other portions of the Searstone Planned Development District (the “**Stormwater Plan**”).
- The Corporation is responsible for overseeing the design, approval, and construction of the stormwater management system pursuant to the Stormwater Plan (the “**Work**”). The Corporation is responsible for all out-of-pocket costs and expenses related to the Work, including the costs of any required permits and any required land use or other approvals from the Town of Cary, and the costs of any maintenance, modifications, or corrections during the period (inclusive of a so-called one-year warranty period imposed by the Town of Cary) prior to final approval of the Work by the Town of Cary (the “**Final Costs**”).
- If any portion of the Stormwater System is required to be constructed in conjunction with Sears Farm’s development of any portion of the Sears Farm Property, and the Corporation has not yet engaged a general contractor or utilities contractor to construct the Stormwater System in connection with the Phase II Expansion, then Sears Farm may construct any portion of the

Stormwater System, as required by the Town of Cary, for development of any portion of the Sears Farm Property, at Sears Farm's sole cost and expense ("**Sears Farm's Stormwater Work**"). Upon completion of Sears Farm's Stormwater Work, the Corporation will be required to reimburse Sears Farm, or escrow with an appropriate Escrow Agent if necessary to facilitate a sale of any of the Sears Farm Property, for the Corporation's pro rata share; i.e., 63.97%, of the Final Costs of those portions of Sears Farm's Stormwater Work that would otherwise have been included in the Work, including the costs of any required permits and any required land use or other approvals from the Town of Cary.

- Sears Farm is responsible for the maintenance and repair (and the cost thereof) of those portions of the Stormwater System that are located on the Sears Farm Property, and the Corporation is responsible for the maintenance and repair (and the cost thereof) of those portions of the Stormwater System that are located on Corporation's Property, in each such case except for those maintenance obligations which are a part of the Final Costs of the Work or of the Final Costs of Sears Farm's Stormwater Work. In the event that either of Sears Farm or the Corporation fails to reimburse the other for its allocable share of costs and expenses related to the maintenance and repairs within 30 days of a demand therefor, the unreimbursed amount will bear interest from the date of such demand until the date of payment thereof at a variable rate equal to the prime rate as published in the *Wall Street Journal*, as the same may from time-to-time change, plus 2% per annum (not to exceed the maximum rate of interest allowed by law), and the other of the Corporation or Sears Farm may as a "contractor" file a claim of lien on the real property of the other located within the Searstone Planned Development District, in the manner provided in Chapter 44A, Article 2, of the North Carolina General Statutes.

Rezoning and Site Plan Approvals. The Corporation is not required to obtain Sears Farm's approval of or consent to any rezoning application or proposed modification of the Master Plan so long as the same (i) would not seek to modify any portion of the Master Plan applicable to Sears Farm, (ii) if approved would not in additional liability of Sears Farm or any of its members or managers for any off-site or "payment in lieu of" obligations including but not limited to parking requirements or traffic signalization, or (iii) does not seek to modify, limit, or terminate any existing entitlements benefiting the Sears Farm Property. The Corporation is not required to obtain Sears Farm's approval of or consent to any request or application by the Corporation for site plan approval with respect to a proposed improvement within the Searstone Planned Development District to the extent consistent with the Master Plan, as the same may from time-to-time be modified.

Sears Farm is not required to obtain the Corporation's approval of or consent to any rezoning application or proposed modification of the Master Plan so long as the same (i) would not seek to modify any portion of the Master Plan applicable to the Corporation, (ii) if approved would not result in additional liability of the Corporation for any off-site or "payment in lieu of" obligations including but not limited to parking requirements or traffic signalization, or (iii) does not seek to modify, limit, or terminate any existing entitlements benefiting the Corporation's property. Sears Farm is not required to obtain the Corporation's approval of or consent to any request or application by Sears Farm for site plan approval with respect to a proposed improvement within the Searstone Planned Development District to the extent consistent with the Master Plan, as the same may from time-to-time be modified.

Recombination Obligations. The Corporation and Sears Farm owned two adjoining lots; namely, Lot 39 (owned by the Corporation) and Lot 41 (owned by Sears Farm). The bulk of Lot 39 consists of "Searstone Lake," which is a water feature located behind and to the north of the Community's Winston Clubhouse and is enjoyed by Residents for a variety of activities. Lot 41 is located to the north of Lot 39, and is zoned for use as age-restricted (55 and older) residential housing or continuing care retirement

community units. The northern shore of Searstone Lake and a few feet of Searstone Lake are within Lot 41.

In order that Searstone Lake will be owned entirely by the Corporation, such that lake ownership will not be split as between the Corporation and Sears Farm, the Settlement Agreement provides that (i) the Corporation will at its expense cause to be prepared a recombination plat, recombining Lots 39 and 41 such that the joint Lot 39 / 41 boundary line is shifted to a line 10' north of the northern shore of Searstone Lake (the "**Recombination Plat**"); (ii) following approval of the Recombination Plat by the Town of Cary, the approved Recombination Plat (which must be signed by all owners of the recombined land prior to its recordation) will be signed by both the Corporation and Sears Farm and at the Corporation's expense recorded in the office of the Wake County, North Carolina Register of Deeds; (iii) following recordation of the Recombination Plat, (a) Sears Farm will for no additional consideration convey to the Corporation the "10 foot strip" of land shifted from Lot 41 to Lot 39 as a result of the recombination, (b) the Corporation will grant to Sears Farm an access easement upon the "10 foot strip" for pedestrian use (at which time the "**Recombination**" will have occurred), and (c) the Corporation will be responsible for the construction and maintenance of all lake border improvements (on the northern shore of Searstone Lake) to match the existing lake border improvements (around the balance of Searstone Lake) (the "**Recombination Obligations**").

A sale by Sears Farm to the third party purchaser of Lot 41 must be approved by the Bankruptcy Court. With the approval of the Bankruptcy Court, on June 30, 2020 Sears Farm conveyed Lot 41 to Preston Farm, LLC, an unaffiliated third-party purchaser ("**Preston Farm**"), under circumstance where the Recombination Obligations were memorialized in a Recombination Agreement between the Corporation and Sears Farm, which was then assigned by Sears Farm to Preston Farm, which assumed Sears Farm's obligations thereunder. At the closing of the sale of Lot 41 the Corporation paid into an escrow fund the sum of \$186,000, in full satisfaction of the Corporation's obligation to contribute toward the cost of construction of the lake border improvements on Lot 41.

In the event Preston Farm does not commence construction of the lake border improvements on or before June 30, 2022, and thereafter diligently pursue completion of the same subject to *force majeure* and factors beyond Preston Farm's reasonable control (including consequences of pandemic and governmental responses thereto), the amount then remaining in the escrow fund will be disbursed to the Corporation and following the Recombination the Corporation will be responsible for the construction of the lake border improvements on Lot 41, at the Corporation's sole cost and expense.

Following the Recombination, the Corporation will be responsible, at the Corporation's cost and expense, for maintenance of the lake border improvements on Lot 41.

Approvals Required for Construction

Completion of the Phase II Expansion requires certain approvals by the Town of Cary and the North Carolina Division of Health Services Regulation ("DHHSR"). Following is a description of the approvals required and the status of each as of September 20, 2021.

Master Plan. The Corporation desired to make changes to the Master Plan previously approved by the Town of Cary for the Community to complete the Phase II Expansion. In October 2019, the Town of Cary approved modifications to the Master Plan proposed by the Corporation.

Land Development Plan. The Town of Cary requires a Land Development Plan prior to initiating development of a property to ensure the proposed development is consistent with Federal, State, and Local regulations. The Land Development Plan was approved on August 3, 2021.

Highview Recombination Plat. The approved Land Development Plan requires combining certain lots (completing a “Recombination Plat”) prior to being able to receive a building permit for the Phase II Expansion. The Recombination Plat has been approved by the Town of Cary and it was recorded in Wake County on September 14, 2021.

Land Disturbance Permit. A Town of Cary Land Disturbance Permit is required to initiate any site work for the Phase II Expansion. The Corporation has applied for the Land Disturbance Permit and anticipates receiving approval of the Land Disturbance Permit upon completion of tree protection fencing and payment of an estimated \$5,600 permit fee. The Corporation currently anticipates it will receive the Land Disturbance Permit in October 2021.

Building Permits. The Town of Cary requires building permits prior to initiating any vertical construction for the Phase II Expansion. In May 2021, the Corporation submitted to the Town of Cary the application and drawings and specifications for six building permits that are required to complete the Phase II Expansion. The Town of Cary provided a letter dated September 28, 2021 stating that the construction plans for the required building permits are approved and the building permits will be issued subject to satisfaction of the following: 1) payment of all related fees totaling approximately \$1.75 million, including building permit fees and other Town of Cary required fees, and 2) issuance of a Certificate of Compliance related to the installation of stormwater control devices and erosion control (a part of the Land Disturbance Permit). The Corporation anticipates paying all building and permit fees following closing of the Series 2021 Bonds and anticipates receiving the Certificate of Compliance in January 2022 following an inspection of the work related to the Land Disturbance Permit.

DHSR Review and Approval. Review and approval of drawings and specifications by the Division of Health Service Regulation (“DHSR”), a division of the North Carolina Department of Health and Human Services, is required for all Adult Care Homes and Healthcare facilities prior to initiating construction. Construction of the Brittany Place expansion may not begin without this review and approval even if a building permit is obtained. While the design team has significant DHSR experience and substantial comments are not anticipated, DHSR’s comments may require changes to the building plans.

The Corporation submitted its plans and drawings to DHSR on May 28, 2021 but has not received all comments back from DHSR. DHSR has not provided an indication of when it will complete its review. DHSR approval cannot be issued without DHHS approval of the Certificate of Need application (See “**Licensure**” below). DHHS has indicated to the Corporation that it can expect to receive approval of the CON by December 2021. The construction of the Brittany Place expansion is scheduled to begin in February 2022.

Environmental Disclosure

The Corporation engaged WithersRavenel to perform a Phase 1 Environmental Site Assessment (“**ESA Phase 1**”). WithersRavenel completed and issued the ESA Phase I report on July 13, 2021. The report concluded there are no Recognized Environmental Conditions (“RECs”) in connection with the subject property.

Unit Mix of Phase II Expansion

The New Independent Living Units will be apartments of a size generally consistent with the Existing Independent Living Unit apartments and will be located in two new multi-story connected apartment buildings. As currently contemplated, and after adjusting for anticipated periodic pricing increases, the Entrance Fees and Monthly Service Fees associated with the New Independent Living Units

will be at a reasonable premium and generally consistent with the Entrance Fees and Monthly Service Fees, respectively, associated with the Existing Independent Living Apartments.

The following table summarizes the type, number, approximate square footage, Monthly Service Fees and Entrance Fee for the New Independent Living Apartments. The Corporation intends to charge a second person fee of \$1,550.

New Independent Living Unit Configuration				
Floor Plan	Number Of Units	Square Footage	100% Refundable Entrance Fee - Type A⁽¹⁾	Monthly Service Fee - Type A
<i>One Bedroom</i>				
Meredith	1	937	\$463,900	\$3,595
Shaw	4	1,032	\$506,900	\$3,795
Freelon	5	1,067	\$521,300	\$3,995
Finley	16	1,148	\$555,400	\$4,195
Merritt	4	1,187	\$586,900	\$4,395
Frazier	1	1,235	\$588,900	\$4,495
Murray	4	1,248	\$594,900	\$4,595
McFadden	3	1,260	\$603,900	\$4,595
Burke	4	1,304	\$620,900	\$4,695
<i>Two Bedroom</i>				
Franklin	14	1,339	\$651,186	\$4,895
Madison	4	1,398	\$682,900	\$4,995
Demille	8	1,411	\$675,900	\$5,095
Taylor	7	1,419	\$664,900	\$5,095
Alston	4	1,487	\$697,900	\$5,395
Gardner	16	1,522	\$713,963	\$5,395
Simone	6	1,522	\$713,567	\$5,495
Brinkley	8	1,561	\$722,150	\$5,595
Miller	1	1,656	\$750,900	\$5,795
Walter	6	1,641	\$763,567	\$5,795
Valvano	4	1,651	\$768,650	\$5,895
Ogle	1	1,663	\$768,900	\$5,895
Wolfe	12	1,681	\$848,233	\$5,895
Timberlake	4	1,714	\$860,400	\$5,995
Bennett	4	1,743	\$808,900	\$5,995
Page	4	1,761	\$871,900	\$6,195
Coltrane	3	1,794	\$827,567	\$6,195
Yates	4	1,943	\$933,400	\$6,595
Total / Averages	152	1,449	\$624,176	\$5,184

(1) Entrance Fees and Monthly Fees shown are in 2023 dollars. Entrance Fees shown are for the 100 percent refundable Type A plan, which includes a non-refundable \$70,000 life care fee. Second persons would pay the non-refundable \$70,000 life care fee if a Type A plan is chosen.

Marketing; Reservations, and Residency Agreements

The Corporation anticipates offering the following Residency Agreement contract options for Residents who will reside in the New Independent Living Units to be developed as a part of the Phase II Expansion:

Type A – Life Care with a **100% refundable** Residential portion of the Entrance Fee, as described above for current Type A – Life Care Residency Agreement contracts;

Type A – Life Care with a **50% refundable** Residential portion of the Entrance Fee amortizing at the rate of 2% per month commencing with the month in which the balance of the Entrance Fee is paid, such that it will amortize to be 50% refundable after 25 months from the month in which the Entrance Fee is paid;

Type A – Life Care with a **0% refundable** Residential portion of the Entrance Fee amortizing at the rate of 2% per month commencing with the month in which the balance of the Entrance Fee is paid, such that it will be fully amortized (and 0% refundable) after 50 months from the month in which the Entrance Fee is paid; and

Type C – Fee for Service with a **90% refundable** Residential portion of the Entrance Fee amortizing at the rate of 2% per month commencing with the month in which the balance of the Entrance Fee is paid, such that it will be 90% refundable after 5 months from the month in which the Entrance Fee is paid.

All Type A – Life Care Residency Agreement contracts will also require payment of a Life Care portion of the Entrance Fee, with amortization provisions as described above for current Type A – Life Care Residency Agreement contracts. The Type C – Fee-for-Service Plan Membership & Residency Agreement contract will not require payment of a Life Care portion of the Entrance Fee.

Refunds of the Entrance Fee for Phase II Residency Agreement contracts will be based on the particular refund plan selected by the Resident and will be paid within 30 days following the Corporation's receipt of Entrance Fee proceeds (in the case of refunds with respect to Type C – Fee for Service Residency Agreements, the Residential portion thereof) for any comparable residence in Phase II which is not occupied or reserved at the date of termination of the Residency Agreement, in an amount sufficient to fully satisfy the Entrance Fee refund amount due (with Entrance Fee proceeds for the comparable residences described above being allocated among refund claims with respect to such comparable residences in the order of the date of termination of the applicable Residency Agreements). Other than those specifically mentioned in this section, all Phase II Residency Agreement contract provisions governing Entrance Fee refunds are consistent with those described in THE COMMUNITY or in RESERVATIONS AND OCCUPANCY of this Appendix A.

Prospective Residents of the New Independent Living Units will not execute Residency Agreements until shortly prior to moving into their respective New Independent Living Unit, currently estimated to occur in 2023. Following appropriate North Carolina Department of Insurance approvals, prospective Residents of the New Independent Living Units will execute a binding Reservation Agreement and place a deposit in the amount of 10% of the Entrance Fee. The Entrance Fee deposit will be held in escrow until either (1) such time as the qualifications for release are met by the Corporation, (2) the Corporation determines that the prospective Resident of a New Independent Living Units does not meet the health and financial conditions of acceptance into a new Independent Living Unit, or (3) the prospective Phase II Resident of a New Independent Living Unit elects to terminate their Reservation Agreement, in which case the amount deposited, plus accrued interest, will be refunded within 30 days of termination of the Reservation Agreement. In the event the prospective Resident of a New Independent Living Unit elects to terminate their Reservation Agreement, a \$500 processing fee will be deducted from the refund, unless such termination is due to the death of the prospective Resident of a New Independent Living Unit or is due to serious illness or incapacity of the prospective Resident of a New Independent Living Unit that precludes the prospective Resident of a New Independent Living Unit from living in a New Independent Living Unit for health reasons, as certified by a licensed physician.

The Corporation offered pre-construction incentives (the “**Phase II Pre-Construction Incentives**”) to prospective Residents of the New Independent Living Units. The Phase II Pre-Construction Incentives included the following:

- Optional lower-refund contract plans;
- 10% discount on Entrance Fee;
- Waiver of first two Monthly Service Fees;
- Lifetime Second Person Monthly Service Fee discount of \$100 per month;
- New Independent Living Unit customization package of up to \$2,500;
- Up to \$2,500 in move-in assistance;
- Access to complimentary receptions, programs and seminars prior to opening; and
- Receipt of updates regarding progress of the Phase II Expansion.

Approximately 109 prospective Residents received the Phase II Pre-Construction Incentives. The Phase II Pre-Construction Incentives are no longer being offered.

Licensure

Under Article 64 of Chapter 58 of the North Carolina General Statutes, a CCRC must obtain a series of North Carolina Department of Insurance (“**NCDOI**”) approvals in connection with an expansion project, as follows:

- *First*, the CCRC must obtain a “Start Up Certificate” prior to entering into binding reservation agreements with prospective residents, commencing site preparation, or constructing model units for marketing.
- *Second*, after having obtained a “Start Up Certificate,” the CCRC must obtain a “Preliminary Certificate” prior to constructing a CCRC or renovating or developing a structure not already licensed as a CCRC.

To obtain a Preliminary Certificate, the CCRC must, among other requirements: (i) have entered into reservation agreements for at least 50% of the total independent living units being developed (for this purpose, NCDOI will treat as independent living units both the New Independent Living Units as well as the New Assisted Living Units), accompanied by a deposit at least equal to 10% of the entrance fee (for entrance fee model CCRCs); (ii) submit to NCDOI the Official Statement for the financing; and (iii) submit to NCDOI a description of material changes from the materials submitted to NCDOI with the Start Up Certificate.

- *Third*, the CCRC must obtain a “Permanent License” prior to opening and operating the expansion project space.

In October 2020, the Corporation obtained from the North Carolina Department of Insurance a “Start Up Certificate” for the Phase II Expansion. The Corporation has not yet obtained from the North Carolina Department of Insurance a “Preliminary Certificate.” At this time, the Corporation has entered

into binding reservation agreements for 81% of the total New Independent Living Units (123 of 152), accompanied by 10% Entrance Fee deposits. The Corporation anticipates receiving approval of the Preliminary Certificate prior to the pricing of the Bonds.

Under the North Carolina Certificate of Need Law (the “**CON Law**”), without first obtaining from the North Carolina Department of Health and Human Services (“**DHHS**”) a certificate of need (“**CON**”), the Corporation cannot, among other things, make capital expenditures or incur financial obligations relating to health care exceeding \$2,000,000, increase the number of, or relocate, nursing facility beds; i.e., skilled nursing beds, or adult care home beds; i.e., assisted living beds, effect a change of more than 15% of approved capital expenditures during development or within a year of completion of a project for which a CON has already been issued, change its nursing facility or adult care home bed capacity or materially deviate from the proposed scope of an approved project or violate conditions imposed in the CON for such a project. Normally the CON application process is a “competitive” process; i.e., numerous potential providers compete over an allocation of the health care facilities, beds, or services approved in the annual State Medical Facilities Plan. However, the process is “noncompetitive” in the case of a nursing facility or adult care home which is a part of a CCRC, if the facility of home does not accept “direct admissions” (i.e., admissions by persons who were not previously CCRC independent living unit residents). The Corporation has submitted to DHHS CON applications for review for the New Assisted Living Units and the New Skilled Nursing Beds. Since the Community does not allow “direct admissions” to the Brittany Place Health Care Center and thus will not accept “direct admissions” to the New Assisted Living Units or the New Skilled Nursing Beds, the Corporation anticipates that the CON approval process will be noncompetitive and administrative in nature. The Corporation’s contact at DHHS has indicated that the Corporation can anticipate receiving approval of the CONs for the Phase II Expansion by December 2021. Based on the planned construction schedule, the Corporation does not plan to begin construction of the healthcare areas for the Phase II Expansion until January or February 2022. Furthermore, the hereinafter defined Disbursement Agreement prohibits any disbursement of funds for Project Costs relating to the New Assisted Living Units or the New Skilled Nursing Beds until the Corporation receives the CONs.

Before operating the New Assisted Living Units or the New Skilled Nursing Beds, the Corporation must obtain from the North Carolina Department of Health and Human Services a license to do so. That license must be renewed on an annual basis. This is a separate requirement from the CON requirement and is in addition to the CON requirement. The Corporation will not be able to obtain a license to operate the New Assisted Living Units or the New Skilled Nursing Beds until construction thereof has been completed.

Development Consultant

The Corporation has engaged Greenbrier Development, LLC, of Dallas, Texas (the “**Phase II Development Consultant**”) to serve as the development consultant in connection with the Phase II Expansion. The Development Consultant specializes in providing planning, development, marketing, and strategic consulting services related to all areas in the senior housing and services business. The Development Consultant served as development consultant for Phase I of the Community. The Corporation had a good experience with the Development Consultant with that project and believes that the Development Consultant’s familiarity with the Community will be an advantage for the Phase II Expansion.

The Development Consultant currently has a staff of approximately 37 persons, and senior leadership has more than 150 years of combined experience in senior housing development. The Development Consultant is currently responsible for the development and/or marketing of approximately 24 senior living community development and expansion projects around the country. The Development Consultant has provided strategic consulting services to more than 100 senior living communities and providers since 2006.

A representative list of retirement communities for which the Development Consultant has recently provided development consulting services includes the following:

Greenbrier Development, LLC – Senior Living Experience

<u>Community</u>	<u>Location</u>	<u>Status</u>
Oak Trace - Phase 2	Downers Grove, IL	2022 Estimated Construction Start
The Waterford	Juno Beach, FL	2022 Estimated Construction Start
Aldersly Retirement Community	San Rafael, CA	2022 Estimated Construction Start
Uptown Oaks at The Hallmark	Houston, TX	2022 Estimated Construction Start
The Highview at Searstone	Cary, NC	2021 Estimated Construction Start
Enso Village, A Kendal Affiliate	Healdsburg, CA	To Open 2023
Revel Creek at Heritage Community	Kalamazoo, MI	To Open 2022
Kingsboro at Lenbrook	Atlanta, GA	To Open 2021
The Vistas at Beacon Hill	Grand Rapids, MI	To Open 2021
Grand Expansion at Roland Park Place	Baltimore, MD	To Open 2021
The Fairfax at First Community Village	Columbus, OH	To Open 2021
Viamonte at Walnut Creek	Walnut Creek, CA	Opened 2020
The Forum at Rancho San Antonio	Cupertino, CA	Opened 2020
The Spires at Berry College	Rome, GA	Opened 2020
Ingleside at King Farm	Rockville, MD	Opened 2020
Ingleside at Rock Creek	Washington D.C.	Opened 2020
Seabury	Bloomfield, CT	Opened 2019
The Culpeper	Culpepper, VA	Opened 2019
Lakewood	Richmond, VA	Opened 2019
Wake Robin	Shelburne, VT	Opened 2019
Ventana by Buckner	Dallas, TX	Opened 2019
Hickman	West Chester, PA	Opened 2017

Greenbrier Development, LLC – Senior Living Experience

<u>Community</u>	<u>Location</u>	<u>Status</u>
Canterbury on the Lake	Waterford, MI	Opened 2017
Beacon Hill at Eastgate – Phase 2	Grand Rapids, MI	Opened 2017
Messiah Village	Mechanicsburg, PA	Opened 2017

The Corporation's engagement with the Development Consultant is pursuant to a Development Consulting Services Agreement which provides for compensation payable to the Development Consultant by the Corporation as follows:

- A Base Development Consulting Fee of 3.65% of Project Costs (to be credited with \$110,000 of fees previously paid to the Development Consultant by the Corporation), payable -
 - \$20,000 per month through the month in which a Permanent Financing of the Phase II Expansion is achieved, up to \$600,000 (\$490,000 after application of the \$110,000 credit described above),
 - Upon the closing of a Permanent Financing of the Phase II Expansion, an amount equal to 50% of the Base Development Consulting Fee, less the Base Development Consulting Fee paid prior to that time,
 - During the period beginning at the closing of a Permanent Financing of the Phase II Expansion through initial resident Occupancy of the Phase II Expansion, an amount equal to 30% of the Base Development Consulting Fee, payable in equal monthly payments based upon the expected duration of construction of the Phase II Expansion (as reflected in the construction contract for the Phase II Expansion),
 - Upon obtaining a certificate of occupancy for the initial resident Occupancy of the Phase II Expansion, an amount equal to 10% of the Base Development Consulting Fee, and
 - Upon Completion of Construction of the Phase II Expansion, the balance of the Base Development Consulting Fee;
- A Marketing Fee equal to 1.5% (0.75% as to persons who were on the waiting list for the Community as of July 1, 2019) of the gross Entrance Fees (whether refundable or non-refundable) collected for the Phase II Expansion, up to and including 95% Occupancy of the New Independent Living Units, payable from Entrance Fee proceeds on a monthly basis as Entrance Fees are collected;
- An Incentive Occupancy Fee payable at the time 90% Occupancy of the New Independent Living Units is achieved, and computed based upon the time elapsed from the date of receipt of the final certificate of occupancy for the Phase II Expansion until the date of achievement of

90% Occupancy of the New Independent Living Units, based upon one (and only one) of the following -

<u>Months from Receipt of Final Certificate of Occupancy</u>	<u>Incentive Occupancy Fee</u>
if within 18 months	\$250,000
if within 21 months	\$150,000
if within 24 months	\$116,666
if within 30 months	\$100,000

- Reimbursement for specified Reimbursable Expenses.

Architect

The Corporation has engaged Stewart & Connors Architects, PLLC, of Charlotte, North Carolina (the “**Phase II Architect**”) to serve as the architect in connection with the Phase II Expansion.

The Phase II Architect and its principals have extensive experience in the development of senior living campuses, and in particular the expansion or redevelopment of existing, occupied campuses. The Phase II Architect and its principals have worked on numerous such projects located in the Eastern United States, including 15 such projects requiring approval by the North Carolina Department of Health and Human Services. Representative projects include: multiple expansion projects for Sharon Towers in Charlotte, North Carolina; and Presby’s Inspired Life Rydal Park in Rydal, Pennsylvania, which included renovation of Presby’s nursing, memory care, assisted living and dining components. The Phase II Architect’s work on the Messiah Lifeways at Messiah Village in Mechanicsburg, Pennsylvania included campus master planning, independent living and enhanced living, and skilled nursing additions. At present the Phase II Architect is nearing completion of Construction Documents for Phase 1 of a six-phase expansion project for Friends Homes, Inc. in Greensboro, as well as an expansion project at Scotia Village for The Presbyterian Homes, Inc.

The project managers from the Phase II Architect have a combined 50 years of experience and include founding partner Dana Connors, AIA, and project architect Juan Nivia.

Construction Manager

The Corporation has engaged Clancy & Theys Construction Co., of Raleigh, North Carolina (the “**Construction Manager**”) to serve as construction manager for the purpose of providing preconstruction phase services and construction phase services for the Phase II Expansion, including: estimating; scheduling; constructability reviews; value analysis; meetings with the Corporation, the Phase II Expansion design team, and public officials; and bidding the Phase II Expansion; and managing construction of the Phase II Expansion.

The Construction Manager is one of the largest vertical builders owned and headquartered in North Carolina. Originally founded in Raleigh in 1949, the Construction Manager is one of the largest privately-owned entities in the state and one of the largest contractors in the southeast region of the United States and the nation according to Engineering News Record (170th in the nation, in 2019). The Construction Manager has branch offices in Wilmington and Charlotte, North Carolina; Newport News, Virginia; and Orlando, Florida. The following is a representative list of the Construction Manager’s senior housing experience:

<u>Name</u>	<u>Location</u>	<u>Completion Date</u>	<u>Project Cost (Approximate)</u>
The Tower at Cardinal North Hills	Raleigh, NC	2023	\$110,000,000
Transitions LifeCare	Cary, NC	2011	11,500,000
Cambridge Senior Living Brier Creek	Raleigh, NC	2022	64,500,000
Carol Woods Retirement Community	Chapel Hill, NC	2013	12,200,000
Windsormeade of Williamsburg	Williamsburg, VA	2011	51,500,000
The Crossings at Oakbrooke	Chesapeake, VA	2018	21,900,000
The Crossings at Hanover	Mechanicsville, VA	2016	11,000,000
LaPosada Assisted Living Building Addition	Palm Beach Gardens, FL	2019	23,100,000
Westminster Baldwin Park – Phase II	Orlando, FL	2021	30,000,000

Construction Contract

The Corporation and the Construction Manager have agreed upon the material terms of an AIA A133-2019 Standard Form of Agreement Between the Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated September 8, 2021 (the “**Construction Contract**”). The Guaranteed Maximum Price is \$111,947,435.00, subject to additions and deductions by change order as provided in the Construction Contract. Included within the Guaranteed Maximum Price is a contractor contingency of \$2,013,478. The Corporation has included \$5,752,564 of owner directed contingency in the project budget.

The difference as of the date of final payment between (i) the Cost of the Work (as such term is defined in the Construction Contract); and (ii) the Guaranteed Maximum Price upon final completion of the Work will be shared by the Corporation and the Construction Manager as follows: the Construction Manager will be entitled to 25% of such savings as an additional fee, and 75% of such savings will inure to the benefit of the Corporation.

The Construction Manager is required under the Construction Contract to furnish the Corporation with a performance bond and a labor and materials payment bond, each in the amount of 100% of the Contract Sum. The provider of the payment and performance bond is Travelers Casualty and Surety Company of America. The Corporation is providing builder’s risk insurance. The Construction Manager’s fee is 3.25% of the Cost of the Work.

Pursuant to the Construction Contract, the Construction Manager acknowledges and agrees that impacts resulting from or related to COVID-19, including but not limited to acts of government, acts of public authorities, and any instances that may constitute a force majeure event, will not be a basis for the Construction Manager to terminate or suspend the Construction Contract unless Work (as such term is defined in the Construction Contract) is suspended to no fault of the Construction Manager for greater than 90 days continuous. In the event that the Construction Manager incurs a financial impact as a result of COVID-19 that is beyond the Construction Manager’s control and which the Construction Manager is unable to mitigate, the Construction Manager may make a claim for an adjustment of the Contract Time and Contract Sum for such impact; provided, however, that the claim is submitted in accordance with the applicable provisions of the Construction Contract; and provided, further, that the maximum amount payable to the Construction Manager for COVID-19 impacts may not exceed \$10,000,000, with any costs in excess of said amount to be assumed by the Construction Manager. See “BONDHOLDERS’ RISKS – Construction Risks” herein.

Construction Schedule and Liquidated Damages

The Corporation issued a Limited Notice to Proceed to the Construction Manager on August 31, 2021, to complete limited site work preparation and to order certain construction materials that require long lead times for production. The Corporation anticipates issuing a full Notice to Proceed to the Construction Manager shortly after the issuance of the Bonds. Construction will be completed in phases. The Construction Contract requires the Construction Manager to substantially complete construction of the various components of the entire Phase II Project (“**Substantial Completion**”), as follows: January 16, 2024 for the New Independent Living Units (Highview North); October 25, 2023 for the New Independent Living Units (Highview South); March 16, 2023 for the New Assisted Living Units and New Skilled Nursing Beds; and March 25, 2024 for the renovations to the Clubhouse.

In the event the Construction Manager does not achieve Substantial Completion on or before the scheduled completion date as set forth above, as such date may be adjusted as provided in the Construction Contract, the Construction Manager must pay the Corporation, as liquidated damages and not as penalty, the amounts established as described below.

The liquidated damages for the New Independent Living Units, Highview Building North and Highview Building South & Commons, begin following a thirty-day grace period and are to be assessed at \$3,354 and \$3,268, respectively, per day of delay in days 31-60 and then increase to \$6,708 and \$6,536, respectively, per day of delay following the 60th day of delay.

The liquidated damages for the New Assisted Living Units and New Skilled Nursing Beds begin following a thirty-day grace period and are to be assessed at \$1,720 per day of delay in days 31-60 and then increase to \$3,440 per day of delay following the 60th day of delay. The liquidated damages for the renovations to the Clubhouse begin following a thirty-day grace period and are to be assessed at \$258 per day of delay in days 31-60 and then increase to \$516 per day of delay following the 60th day of delay.

The following chart illustrates information about the liquidated damages for the Phase II Project.

Phase II Expansion – Liquidated Damages

<u>Project Component</u>	<u>Date of contractual substantial completion</u>	<u>Pro-rata value – Cost of Work</u>	<u>Days past contractual substantial completion</u>		
			<u>0-30</u>	<u>31-60</u>	<u>61+</u>
Highview Building North (51% apartments)	1/16/2024	39%	\$0	\$3,354	\$6,708
Highview Building South and Commons (49% apartments)	10/25/2023	38%	\$0	\$3,268	\$6,536
Brittany Place Expansion	3/16/2023	20%	\$0	\$1,720	\$3,440
Winston Clubhouse renovations	3/25/2024	3%	\$0	\$258	\$516

For the purposes of calculating liquidated damages, Substantial Completion will be deemed to have occurred when the Phase II Architect determines that the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Corporation can occupy or utilize the Work for its intended use and, in addition, all requirements of the Contract Documents for Substantial Completion, including the following conditions, have been fulfilled.

Construction Consultant

The construction consulting firm of Alcala Construction Management, Inc. ("ALCALA CM"), a full-service national construction consulting company founded in 2007 that specializes in the senior living industry, has been selected and retained by the Corporation to review construction progress, quality, and contractor requisition requests on a monthly basis for the Phase II Project during the construction period. In addition, ALCALA CM has provided the pre-construction consulting services described in the next paragraph. ALCALA CM 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, ALCALA CM's responsibilities included conducting a review of the 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, ALCALA CM will be responsible for the following actions in connection with the construction of the Community: (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; and (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.

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A representative list of ALCALA CM's project experience includes the following:

<u>Name of Project</u>	<u>Location</u>	<u>Year of Completion</u>	<u>Type of Project</u>
Fountaingate Gardens	Commack, NY	2022	IL/Commons
Blakeford at Green Hills	Nashville, TN	2022	IL/AL/MC/SNF
Sinai Residences of Boca Raton	Boca Raton, FL	2022	IL
Farms at Bailey Station	Collierville, TN	2021	IL/AL/MC/SNF
River Tower	Norfolk, VA	2021	IL/AL/MC/SNF
Hillside Village	Keene, NH	2019	IL/AL/MC/SNF
The Memory Center Atlanta	Johns Creek, GA	2018	MC
Volterra at ChampionsGate	ChampionsGate, FL	2018	IL/AL/MC
Westminster of Dallas	Dallas, GA	2017	AL
Tuscan Isle Solivita	Poinciana, FL	2017	IL/AL/MC
John Knox Village Meadows	Lee's Summit, MO	2017	IL
Summer's Point AL	Winchester, IN	2016	MC
Kingswood Senior Living	Kansas City, MO	2017	IL/AL/MC
John Knox Village Courtyards	Lee's Summit, MO	2016	IL
McClellan Independent Living	Winchester, IN	2015	AL
Clemson Area RC	Clemson, SC	2014	AL/MC
Clare Oaks	Bartlett, IL	2012	IL/AL/MC/SNF
Columbia BV3 Senior Living	Columbus, GA	2012	IL
Galloway Ridge	Pittsboro, NC	2012	IL/AL/MC
Columbia MLK Villages	Atlanta, GA	2008	IL
The Meriter	Madison, WI	2008	IL/AL/MC/SNF
Querencia	Austin, TX	2007	IL/AL/MC
Bethany Village	Harrisburg, PA	2006	IL/AL/MC
Eagles Preserve S Villages	Fort Myers, FL	2006	IL
Harbors Edge	Norfolk, VA	2006	IL/AL/MC/SNF
Wesley Commons	Greenwood, SC	2006	IL/AL/MC/SNF
Devonshire	PBG, FL	2005	IL/AL/MC
Westminster Canterbury	Richmond, VA	2005	IL
Cypress Cove	Fort Myers, FL	2004	IL
La Posada	PBG, FL	2004	IL/AL/MC/SNF
Spring Harbor	Columbus, GA	2004	IL
Village at Penn State	State College, PA	2004	IL/AL/MC
Givens Estates	Asheville, NC	2003	IL/AL/MC
St. James Place	Baton Rouge, LA	2001	IL/AL/MC
Westminster Towers	Rock Hill, SC	2001	IL
Sunrise AL at Ivey Ridge	Alpharetta, GA	1998	AL
Sunrise AL at Decatur	Decatur, GA	1998	AL
Sunrise AL at East Cobb	Marietta, GA	1998	AL
Freedom Village Lakeside	Lantana, FL	1997	IL/AL/MC

Disbursement Agreement

The Bond Trustee will agree to disburse proceeds of the Series 2021 Bonds for Project costs only in accordance with the Construction Disbursement and Monitoring Agreement dated on or about October 1, 2021 (the “**Disbursement Agreement**”), among the Corporation, ALCALA CM, and the Bond Trustee. Under the Disbursement Agreement, each advance of proceeds of the Series 2021 Bonds will be subject to the approval of the Construction Consultant.

Project Budget. Pursuant to the Disbursement Agreement, the Corporation will prepare, for approval by the Construction Consultant, a budget which reflects the sources of funds to be applied to pay

Project costs and the budgeted cost, on a line item basis, of each category of work or materials required to construct the Project, together with all other budgeted costs and expenses for the Project.

Hard Costs. Pursuant to the Disbursement Agreement, prior to the disbursement of proceeds of the Series 2021 Bonds to be made under the Project Budget for work, labor, materials or equipment (“**Hard Costs**”), the Corporation must submit to the Construction Consultant a disbursement request (the “**Disbursement Request**”) including an itemized statement of costs organized by Project Budget line item and attaching AIA Document G-702 and G-703, together with certain additional supporting documentation. Following receipt and approval of a Disbursement Request and supporting documentation, the Construction Consultant will approve the amount of requisition of funds to be made in accordance with the financing documents.

Soft Costs. Pursuant to the Disbursement Agreement, the Corporation must submit to the Construction Consultant a Disbursement Request for payment of costs and expenditures included in the project budget other than Hard Costs (the “Soft Costs”), for review and approval by the Construction Consultant. The Disbursement Request for Soft Costs must include the total amount of Soft Costs included in such request, itemized by the categories identified in the Project Budget, together with bills, paid invoices or other evidence supporting each item of Soft Costs covered by such Disbursement Request.

Other Conditions. The Disbursement Agreement states that payment of each Disbursement Request is subject to receipt of additional items such as (i) lien releases and waivers from the Construction Manager, subcontractors, consultants, design and engineering professionals and suppliers, (ii) evidence that materials for the Project will be purchased and stored in accordance with the Disbursement Agreement, (iii) affirmation by the Corporation of certain representations and warranties made in the financing documents, (iv) absence of an Event of Default under the Bond Indenture or the Master Indenture, (v) within 30 days of the completion of the building foundation for the Project, a foundation survey and certificate from the Architect and Construction Manager stating that the foundation work conforms to the plans and specifications, (vi) certification that there has been no material damage by fire or other casualty, and (vii) true copies of all permits required at the date of the advance. The Disbursement Agreement also includes additional conditions for final disbursement and final release of retainage, including additional certification by the Architect, a final release of liens, and evidence of governmental approvals including occupancy permits, final as-built survey, contractor’s affidavit, and other items.

The Corporation has agreed not to execute or permit the performance of work or the furnishing of materials pursuant to any amendment or modification to the construction documents until such change orders have been supplied to and approved by the Construction Consultant and the Lenders, other than change orders that do not exceed \$500,000 in any one instance or \$1,500,000 for all change orders in the aggregate.

The Corporation is not permitted to execute or permit the performance of work or the furnishing of materials pursuant to, any Change Order in excess of \$100,000 or that results in a delay of the Completion Date until such Change Order has been submitted by the Corporation to the Construction Consultant and approved by the Construction Consultant. The Corporation must procure appropriate amendments to any Performance and Payment Bonds in effect with respect to the Construction Contract affected by any Change Order. In addition, the Corporation may not request any disbursements from, and the Bond Trustee may not make disbursements from, the Project Fund to pay Project Costs relating to the New Assisted Living Units or to the New Skilled Nursing Beds, as applicable, or to reimburse itself for any such Project Costs paid by the Corporation, until the Corporation has received and provided the Bond Trustee with copies of all CONs required by the State of North Carolina required for such additional Assisted Living Units or such additional Skilled Nursing Beds, as applicable.

The Construction Consultant may be removed at any time by act of the Majority of the Holders by written notice to the Construction Consultant, the Bond Trustee and the Issuer.

Owner's Representative

The Corporation has engaged NEMA Management, LLC, of Raleigh, North Carolina (the "**Owner's Representative**") to serve as owner's representative for the Phase II Expansion. NEMA Management, LLC provides planning, design, construction and development related advisory services. As the Corporation's Owner's Representative, NEMA Management, LLC will (i) coordinate the interaction and decision making of, and assist in the coordination of, the Corporation, the Construction Manager, and all of Owner's contracted professionals and consultants (including the Development Consultant and the Architect), and (ii) act as the day-to-day point of contact between the Corporation and the Construction Manager.

The Corporation's primary point of contact with the Owner's Representative is Mr. W. Robert Everett PE, MBA. Mr. Everett has 26 years of construction experience, and has worked on senior living, multi-family, schools, biotechnology manufacturing facilities with class 10,000 clean rooms, class A office, commercial shopping centers, high end residential and mixed-use complexes, pharmaceutical labs, animal labs, college and university buildings, medical, industrial recreational and military projects.

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FINANCIAL INFORMATION

Prior Bonds

In June 2012, the Corporation borrowed the proceeds of (i) \$56,135,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2012A (the “**Series 2012A Bonds**”), (ii) \$60,375,000 Public Finance Authority Entrance Fee Principal Redemption BondsSM Revenue Bonds (Searstone CCRC Project) Series 2012B (the “**Series 2012B Bonds**”), and (iii) \$940,000 Public Finance Authority Entrance Fee Principal Redemption BondsSM Revenue Bonds (Searstone CCRC Project) Series 2012C Taxable (the “**Series 2012C Bonds**” and collectively with the Series 2012A Bonds and the Series 2012B Bonds, the “**Series 2012 Bonds**”). The Corporation used the proceeds of the Series 2012 Bonds to acquire, construct, install and equip the Community, to fund a Debt Service Reserve Fund securing the Series 2012 Bonds, to fund capitalized interest for the Series 2012 Bonds, and to pay costs of issuance of the Series 2012 Bonds. The Series 2012B Bonds and the Series 2012C Bonds have been paid in full.

In December 2016, the Corporation borrowed the proceeds of \$8,000,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2016 (the “**Series 2016 Bonds**”). The Corporation used the proceeds of the Series 2016 Bonds to construct an expansion of the Brittany Place Healthcare Center which was completed in May 2019, to improve the landscaping of the Community, to finance the acquisition of the Phase II Expansion Site acquired in December 2016 (other than Lot 37), to fund certain reserves, and to pay the costs of issuance of the Series 2016 Bonds.

In December 2017, the Corporation borrowed the proceeds of (i) \$71,730,000 Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2017A (the “**Series 2017A Bonds**”), and (ii) \$6,015,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2017B (the “**Series 2017B Bonds**” and collectively with the Series 2017A Bonds, the “**Series 2017 Bonds**”). The Corporation used the proceeds of the Series 2017 Bonds, together with other funds, to advance refund and defease the outstanding principal amount of the Series 2012A Bonds, to finance certain costs relating to improvements to and or an expansion of the facilities of the Community, to fund a Debt Service Reserve Fund, and to pay the costs of issuance of the Series 2017 Bonds.

On July 31, 2019, pursuant to the Settlement Agreements, the following amended and restated bond documents relating to the Series 2016 Bonds and the Series 2017 Bonds were executed and delivered:

- Amended and Restated Indenture of Trust, dated July 31, 2019 (the “**2016 Bond Indenture**”), between the Public Finance Authority (the “**Authority**”) and UMB Bank, National Association, as Bond Trustee (the “**Bond Trustee**”);
- Amended and Restated Bond Trust Indenture, dated July 31, 2019 (the “**2017 Bond Indenture**”), between the Public Finance Authority (the “**Authority**”) and UMB Bank, National Association, as Bond Trustee (the “**Bond Trustee**”);
- Amended and Restated Loan Agreement dated July 31, 2019 (the “**2016 Loan Agreement**”), between the Authority and the Corporation;
- Amended and Restated Loan Agreement dated July 31, 2019 (the “**2017 Loan Agreement**”), between the Authority and the Corporation;
- Second Amended and Restated Master Trust Indenture, dated July 31, 2019 (as supplemented, the “**Master Indenture**”), between the Corporation and UMB Bank, National Association, as Master Trustee (the “**Master Trustee**”), as supplemented by Amended and Restated

Supplemental Indenture Number 1, dated July 31, 2019 (“**Supplemental Indenture Number 1**”), between the Corporation and the Master Trustee, as supplemented by Amended and Restated Supplemental Indenture Number 2, dated July 31, 2019 (“**Supplemental Indenture Number 2**”), between the Corporation and the Master Trustee, and as further supplemented by Amended and Restated Supplemental Indenture Number 3, dated July 31, 2019 (“**Supplemental Indenture Number 3**”), between the Corporation and the Master Trustee;

- Third Amended and Restated Deed of Trust dated July 31, 2019 (the “**Corporation Deed of Trust**”) from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee;
- Second Amended and Restated Guaranty Agreement dated July 31, 2019 (the “**Sears Farm Guaranty**”) from Sears Farm to the Master Trustee; and
- Second Amended and Restated Deed of Trust dated July 31, 2019 (the “**Sears Farm Deed of Trust**”) from Sears Farm to the deed of trust trustee named therein for the benefit of the Master Trustee.

In June 2020, the Corporation borrowed the proceeds of \$4,600,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2020A (the “**Series 2020A Bonds**”), and \$2,000,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable (the “**Series 2020B Bonds**” and collectively with the Series 2020A Bonds, the “**Series 2020 Bonds**”). The Corporation used the proceeds of the Series 2020 Bonds to finance certain costs relation to improvements to and or an expansion of the facilities of the Community, to fund certain reserves, and to pay the costs of issuance of the Series 2020 Bonds. In connection with the issuance of the Series 2020 Bonds, the following documents were executed and delivered:

- Supplemental Indenture Number 4, dated June 1, 2020 (the “**Supplemental Indenture Number 4**”) to the Master Indenture, between the Master Trustee and the Corporation;
- Indenture of Trust, dated June 1, 2020, between the Bond Trustee and the Authority; and
- Loan Agreement, dated June 1, 2020, between the Authority and the Corporation;

The following table shows the principal balances of the Series 2016 Bonds, the Series 2017 Bonds, and the Series 2020 Bonds as of August 1, 2021.

<u>Issue</u>	<u>Principal Balance</u>	<u>Percent of Total</u>
Series 2016 Bonds	\$ 8,000,000	9%
Series 2017A Bonds	71,600,000	79%
Series 2017B Bonds	3,410,000	5%
Series 2020A Bonds	4,600,000	5%
Series 2020B Bonds	<u>2,000,000</u>	<u>2%</u>
Total	\$89,610,000	100%

*The Corporation intends to refund the Series 2016 Bonds and the Series 2020 Bonds with proceeds of the Series 2021 Bonds and the Series 2022 Bonds.

The Series 2016 Bonds, the Series 2017 Bonds, and the Series 2020 Bonds are presently secured on a parity basis by obligations issued by the Corporation pursuant to the Master Indenture. See “**SECURITY FOR THE SERIES 2020 BONDS**” in the front part of the Official Statement. See also “**ANNUAL DEBT SERVICE REQUIREMENTS**” in the front part of the Official Statement.

Subordinated Indebtedness

Phase I Pre-Finance Capital. Prior to the closing of the sale of the Series 2012 Bonds, the Corporation obtained Phase I pre-finance capital from (i) MatchCapSM – Sears Farm, LLC (“**MatchCap**”) in the amount of \$6,800,000 (the “**MatchCap Obligation**”); and (ii) Sears Farm in the amount of \$2,390,000 (the “**Sears Farm Obligation**,” and together with the MatchCap Obligation, the “**Pre-Finance Subordinated Indebtedness**”), and the associated payment obligations are Subordinated Indebtedness under the Master Indenture and Supplemental Indenture Number 1. The Pre-Finance Subordinated Indebtedness accrue interest at 6% per annum, with a maximum amount of interest to be paid on the obligations equal to the amount of the original obligation, \$6,800,000 and \$2,390,000 respectively. The Pre-Finance Subordinated Indebtedness are outstanding in their respective original amounts as of the date hereof. The managing member of MatchCap is HJS Advisors, Inc., an affiliate of the Underwriter. See “**CERTAIN RELATIONSHIPS**” in the front part of the Official Statement.

Deferred Fees. Certain fees relating to completion of the Community are recorded as deferred fees, and the associated payment obligations are also Subordinated Indebtedness under the Master Indenture and Supplemental Indenture Number 1. These deferred fees include (i) \$993,000 owed by the Corporation to Sears Farm in connection with Phase I rezoning and construction services (the “**Sears Farm Deferred Fees**”); (ii) \$400,000 owed by the Corporation to the Manager for management services for the initial 48 months of its service as Manager (the “**SearStone-RLA Deferred Fees**”); (iii) \$711,000 owed by the Corporation to Sears, Hackney, Keener & Williams (“**SHKW**”) for architectural services relating to the construction of Phase I of the Community (the “**SHKW Deferred Fees**”); (iv) \$500,000 owed by the Corporation to Greenbrier Development LLC for development services related to the development of Phase I of the Community (the “**Greenbrier Deferred Fees**”); and (v) \$700,000 owed by the Corporation to RLA for marketing services related to the opening of Phase I of the Community (the “**RLA Deferred Fees**,” and, together with the Sears Farm Deferred Fees, the SearStone RLA Deferred Fees, the SHKW Deferred Fees, and the Greenbrier Deferred Fees, the “**Deferred Fee Subordinated Indebtedness**”). The SearStone-RLA Deferred Fees accrue interest at 6% per annum. The other Deferred Fee Subordinated Indebtedness do not accrue interest.

Restrictions on Payment of the Subordinated Indebtedness. Pursuant to the Master Indenture, no payment of principal of or interest on the Pre-Finance Subordinated Indebtedness or the Deferred Fee Subordinated Indebtedness will be made unless the following conditions have been satisfied: (a) all Short-Term Indebtedness (defined as Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance) has been paid in full; (b) in the case of principal payments, if the proposed payment had occurred as of the last day of the most recent fiscal year, after the proposed payment the Days’ Cash on Hand will not be less than 300, as certified by an Officer’s Certificate; (c) in the case of interest payments, as of the last day of the fiscal quarter in which the proposed payment is to be made, after the proposed payment the Days’ Cash on Hand will not be less than 300, as certified by an Officer’s Certificate; (d) if the proposed payment of principal or interest had occurred during the most recent fiscal quarter, the Debt Service Coverage Ratio calculated as of the end of such fiscal quarter would have been not less than 1.35; and (e) the Obligated Group delivers a certification by the Obligated Group Representative that (i) no deficiency exists in any bond fund or debt service reserve fund relating to any Outstanding Master Obligations or Related Bonds, (ii) the average occupancy of all independent living units in the Facilities has been at least 90% for the preceding 12 months, and (iii) no Event of Default has occurred and is continuing under the

Master Indenture, and there exists no event that constitutes, or with the giving of notice or the passage of time or both would constitute, an Event of Default under the Master Indenture. See “**PLAN OF FINANCE - Subordinated Indebtedness**” in the front part of the Official Statement.

Initial Entrance Fees Used to Pay Subordinated Indebtedness. Notwithstanding the above-described restrictions, Supplemental Indenture Number 5 provides for a portion of Initial Entrance Fee proceeds from the Phase 2 Expansion to be used to repay principal and interest of outstanding Subordinated Indebtedness. Following completion of all preceding transfers from the Entrance Fee Fund (see “**PLAN OF FINANCE – Application of Initial Entrance Fees**” in the front part of the Official Statement), future Initial Entrance Fees deposited to the Entrance Fee Fund for the final 11 Independent Living Units, up to a maximum of \$7,000,000, will be applied to repay principal of or accrued interest of outstanding Subordinated Indebtedness, following the payment priority described in Supplemental Indenture Number 1 and shown below. In the event that the Working Capital Fund is replenished using Initial Entrance Fees in the amount of \$2,500,000, the repayment of Subordinated Indebtedness is expected to reduce commensurately.

The below table is a hypothetical scenario assuming either \$7,000,000 or \$4,500,000 of Subordinated Indebtedness is repaid on December 31, 2027 and shows the amount received by each party based on such payment. Actual experience may materially differ from the below.

	Balance as of 12/31/27 ⁽¹⁾⁽²⁾	\$7,000,000 Payment	\$4,500,000 Payment
MatchCap Obligation	\$13,141,000	\$4,586,564	\$3,755,764
Greenbrier Deferred Fee	500,000	500,000	142,903
Searstone-RLA Deferred Fee	692,998	692,998	198,062
RLA Deferred Fee	700,000	700,000	200,064
SHKW Deferred Fee	711,000	373,333	203,207
Sears Farm Obligation ⁽³⁾	5,611,675	147,105	0
Total	\$21,356,673	\$7,000,000	\$4,500,000

(1) Projected balance of Subordinated Indebtedness, including principal and accrued interest, if applicable, as of December 31, 2027.

(2) Assumes no payments of Subordinated Indebtedness have occurred prior to those shown in the table.

(3) Includes Sears Farm Deferred Fee and Sears Farm Obligation.

The repayment shown above is not reflected in the Financial Feasibility Study included in Appendix C, as the study assumes Initial Entrance Fees are received up to a maximum of 93% occupancy of the Independent Living Units at the Phase 2 Expansion. Only Initial Entrance Fees of the 7% occupancy, or the final 11 Independent Living Units, up to a maximum of \$7,000,000, are able to be used to repay Subordinated Indebtedness.

Priority of Payment of the Series 2012 Subordinated Indebtedness. As set forth in Supplemental Indenture Number 1, the Series 2012 Subordinated Indebtedness are payable in the following order of priority of payment:

FIRST, pro-rata based on the amount owed to each:

- (i) The MatchCap Obligation until it has received \$4,439,460;
- (ii) The Greenbrier Deferred Fees;

- (iii) The Searstone-RLA Deferred Fees, but only for such fees that are actually earned and properly payable pursuant to the Management Agreement;
- (iv) The RLA Deferred Fees, but only for such fee is actually earned and properly payable pursuant to the Marketing Agreement; and
- (v) The SHKW Deferred Fees until SHKW has received \$373,333;

SECOND, 50% to the MatchCap Obligation and 50% to the Sears Farm Obligation until the respective principal amounts have been paid; and

THIRD, to the remaining unpaid SHKW Deferred Fees.

Sears Farm Motion. On September 22, 2021, Sears Farm filed a motion with the United States Bankruptcy Court for the Eastern District of North Carolina, which has retained jurisdiction over the Sears Farm Bankruptcy case, for production of certain documents that may provide additional information relating to accounts receivable owed to Sears Farm, including the Sears Farm Obligation. The motion states that Sears Farm believes that the Sears Farm Obligation is now due. In the Settlement Agreements (see “PHASE II EXPANSION – Sears Farm Bankruptcy” above), however, Sears Farm acknowledged that the Sears Farm Obligation was not then due and payable and, instead, is payable in accordance with its terms. The Sears Farm Obligation states that principal and interest can be paid only under the conditions in the Master Indenture described under “ - Restrictions on Payment of the Subordinated Indebtedness” above. The Corporation has not yet been able to satisfy those conditions; therefore, no principal of or interest on the Sears Farm Obligation is now due and payable and any such claim to the contrary by Sears Farm has no merit. Sears Farm has not taken any action to attempt to collect any portion of the Sears Farm Obligation that it may claim is now due. The Corporation will vigorously defend against any attempt by Sears Farm to collect principal of or interest on the Sears Farm Obligation in violation of its terms and the conditions set forth in the Master Indenture.

Paycheck Protection Program Loan

The Corporation borrowed from Truist Bank, a North Carolina banking corporation (the “**Lender**”), the sum of \$757,900 (the “**Loan**”) pursuant to the United States Small Business Administration Paycheck Protection Loan program, created pursuant to Sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-36 (the “**Program**”), as evidenced by the Corporation’s Promissory Note dated May 7, 2020 and made payable to the order of the Lender in an amount equal to the Loan amount (the “**Note**”). The Loan was funded on May 13, 2020.

Pursuant to the Program, the Loan was an unsecured loan bearing interest at the rate of 1.0% per annum, with interest deferred for six months from the date of the Loan and with all principal payable two years from the date of the Loan, but with such principal and interest to be forgiven in their entirety provided an amount equal to the Loan proceeds is applied in payment of certain payroll costs, interest on mortgages, rent, and utilities, during an eight-week forgiveness period from the date of the Loan, such that the conditions for forgiveness of the principal amount of the Loan and all accrued interest thereon would be satisfied and the Loan would be forgiven prior to the due date of any payment under the Loan. The forgiveness application was filed in March of 2021. The Loan was forgiven on April 16, 2021.

The Loan constituted “Additional Indebtedness” under the Master Indenture. The Master Indenture contains a covenant which prohibits the Corporation from incurring “Additional Indebtedness” (the “**Additional Indebtedness Covenant**”) without the prior written consent of the “Majority Holders” (as defined therein). The Majority Holders waived the Additional Indebtedness Covenant in order to permit the

Corporation to incur the Additional Indebtedness represented by the Loan; *provided, however*, that the proceeds of the Loan must be expended by the Corporation for the purposes permitted by the terms of the Loan and the Program at the Community.

Statutory Operating Reserve

North Carolina General Statute § 58-64-33 requires CCRCs to maintain an operating reserve (“**Statutory Operating Reserve**”) equal to 50% of the total operating costs in a given year, or 25% of such total operating costs if occupancy as of a certain date exceeds 90% of the independent living unit capacity. In addition to total operating expenses, total operating costs will include debt service, consisting of principal and interest payments along with taxes and insurance on any mortgage loan or other long-term financing, but will exclude depreciation, amortized expenses and extraordinary items. If the debt service portion is accounted for by way of another reserve account, the debt service portion may be excluded. The Statutory Operating Reserve must be funded by cash, by invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury obligations, or obligations of U.S. government agencies. The Statutory Operating Reserve may only be released upon the submittal of a detailed request that must be approved by the State of North Carolina Department of Insurance. Such requests must be submitted in writing for the Department of Insurance to review at least 10 business days prior to the date of withdrawal. This law provides security to residents that the CCRC is able to meet its contractual obligations to provide continuing care.

The Community’s Statutory Operating Reserve is held at Fidelity Investments and all funds are invested per the corporate investment policy with income reinvested. The funds are reflected in the Community’s financial statements as among the “Assets Limited as to Use.”

Interest Reserve Fund

Pursuant to the Master Indenture, an Interest Reserve Fund is required to be funded (and has been funded) in an amount equal to \$1,500,000 as security for the Series 2017 Master Obligation and the Series 2016 Obligation. The funds are reflected in the Community’s financial statements as among the “Assets Limited as to Use.” See “**SECURITY FOR THE SERIES 2020 BONDS – Interest Reserve Fund**” in the front part of the Official Statement.

Financial Statements and Summary Financial Information

The Community maintains its financial records on the basis of a fiscal year ending December 31. The following are the balance sheets and summary statements of operations and changes in net deficit of the Community for the years ended December 31, 2020, December 31, 2019, and December 31, 2018 which were derived from the Corporation’s audited financial statements, as well as unaudited financial statements for the six-month period ended June 30, 2021 (with a comparison to the six-month period ended June 30, 2020).

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Balance Sheets

	Audited Fiscal Year Ended	Audited Fiscal Year Ended	Audited Fiscal Year Ended	Unaudited Six-Month Period Ended	Unaudited Six-Month Period Ended
	12/31/2018	12/31/2018	12/31/2020	6/30/2020	6/30/2021
ASSETS					
Current assets:					
Cash and cash equivalents	\$3,413,536	\$704,651	\$2,511,044	\$3,027,421	\$2,203,681
Assets limited as to use, current portion	802,467	1,279,166	6,730,766	1,254,007	8,445,938
Accounts receivable	57,943	31,098	11,075	-	207,835
Sales tax receivable	77,015	37,931	36,814	30,369	38,733
Prepaid expenses	215,128	156,436	299,787	47,702	142,343
Short-term investments	408,459	2,005,225	2,681,841	2,090,729	2,876,485
Total current assets	4,974,548	4,214,507	12,271,327	6,450,228	13,915,015
Non-current assets:					
Assets limited as to use, less current portion	15,784,954	11,858,758	14,217,037	15,513,923	12,290,083
Property and equipment, net	107,094,903	108,001,806	108,391,631	108,010,139	108,746,600
Other non-current assets/receivables	1,721,818	2,861	69,816	-	-
Note receivable	645,151	500,000	500,000	500,000	500,000
Deferred marketing costs, net	160,528	152,823	146,359	149,954	142,158
Total non-current assets	125,407,354	120,516,248	123,324,843	124,174,016	121,678,841
Total assets	\$130,381,902	\$124,730,755	\$135,596,170	\$130,624,244	\$135,593,856
LIABILITIES AND NET DEFICIT					
Current liabilities:					
Bonds payable, current portion	\$550,000	\$1,060,000	\$1,105,000	\$1,060,000	\$1,105,000
Current portion of notes payable	11,207	-	373,569*	373,569	-
Accounts payable	807,363	427,921	344,830	483,115	505,257
Accrued interest payable	426,329	393,344	389,371	393,344	385,232
Resident refunds payable	1,226,667	1,701,013	1,042,459	1,175,822	1,096,245
Resident deposits	376,138	885,822	6,341,395	860,663	8,060,706
Other liabilities	228,234	226,732	155,907	260,532	301,884
Total current liabilities	3,625,938	4,694,832	9,752,531	4,607,045	11,454,324
Long-term liabilities:					
Bonds payable, less current portion, net	82,357,947	80,947,966	85,882,543	85,862,696	84,845,383
Notes payable, less current portion	3,530	-	384,331*	384,331	-
Subordinated obligations	21,489,677	18,753,547	19,328,947	19,041,247	19,616,647
Liquidity support deposits	2,000,000	-	-	-	-
Refundable entrance fees	83,020,600	83,573,364	87,574,576	86,380,473	88,107,992
Deferred revenue from advance fees	7,875,617	8,477,554	8,564,531	8,528,722	8,696,330
Total long-term liabilities	196,747,371	191,752,431	201,734,928	200,197,469	201,266,352
Total liabilities	200,373,309	196,447,263	211,487,459	204,804,514	212,720,676
Net assets (deficit):					
Without donor restrictions	(70,035,199)	(71,819,604)	(76,047,903)	(74,283,366)	(77,283,434)
With donor restrictions	43,792	103,096	156,614	103,096	156,614
Total net deficit	(69,991,407)	(71,716,508)	(75,891,289)	(74,180,270)	(77,126,820)
Total liabilities and net deficit	\$130,381,902	\$124,730,755	\$135,596,170	\$130,624,244	\$135,593,856

*Paycheck Protection Program Loan

Statement of Operations and Changes in Net Deficit

	Audited Fiscal Year Ended 12/31/2018	Audited Fiscal Year Ended 12/31/2019	Audited Fiscal Year Ended 12/31/2020	Unaudited Six-Month Period Ended 6/30/2020	Unaudited Six-Month Period Ended 6/30/2021
Revenues, gains and other support:					
Residential service fees ⁽¹⁾	\$10,883,952	\$11,373,517	\$12,237,445	\$6,077,774	\$6,496,567
Interest income	273,004	350,874	200,248	117,874	68,327
Grant revenue	-	-	-	-	757,900*
Other	1,044,876	1,021,681	1,018,380	485,486	389,482
Total revenues, gains, and other support	<u>12,201,832</u>	<u>12,746,072</u>	<u>13,456,073</u>	<u>6,681,134</u>	<u>7,712,276</u>
Expenses:					
General and administrative	3,363,015	3,498,094	3,715,947	1,945,041	1,861,089
Depreciation and amortization	3,065,377	3,110,563	3,082,686	1,616,112	1,566,654
Dining services	1,787,875	1,784,959	1,766,481	873,257	872,177
Marketing	475,552	895,016	934,352	500,257	570,063
Healthcare services	2,099,466	1,799,998	1,627,008	805,799	842,779
Transportation and security services	369,974	493,894	545,236	263,502	269,234
Building and grounds maintenance	738,430	881,408	800,567	377,612	429,629
Housekeeping	299,923	287,111	315,984	141,403	141,528
Resident Life	184,088	249,011	272,102	125,610	136,331
Other	146,740	42,020	30,361	-	-
Interest	4,453,420	4,712,253	4,934,008	2,457,701	2,476,306
Total expenses	<u>16,983,860</u>	<u>17,754,327</u>	<u>18,024,732</u>	<u>9,106,294</u>	<u>9,165,790</u>
Loss from operations	(4,782,028)	(5,008,255)	(4,568,659)	(2,425,160)	(1,453,514)
Non-operating gains:					
Net unrealized and realized gains (losses) on short-term investments	(124,147)	521,551	340,360	(38,602)	217,983
Gain on settlement agreements	-	2,702,299	-	-	-
Net non-operating gains	<u>(124,147)</u>	<u>3,223,850</u>	<u>340,360</u>	<u>(38,602)</u>	<u>217,983</u>
(Increase) decrease in unrestricted net deficit	(4,906,175)	(1,784,405)	(4,228,299)	(2,463,762)	(1,235,531)
Change in net assets with donor restrictions:					
Contributions	<u>43,792</u>	<u>59,304</u>	<u>53,518</u>	<u>-</u>	<u>-</u>
Increase in net deficit	(4,862,383)	(1,725,101)	(4,174,781)	(2,463,762)	(1,235,531)
Net deficit, beginning of year	<u>(65,129,024)</u>	<u>(69,991,407)</u>	<u>(71,716,508)</u>	<u>(71,716,508)</u>	<u>(75,891,289)</u>
Net deficit, end of year	<u><u>\$(69,991,407)</u></u>	<u><u>\$(71,716,508)</u></u>	<u><u>\$(75,891,289)</u></u>	<u><u>\$(74,180,270)</u></u>	<u><u>\$(77,126,820)</u></u>

(1) Including amortization of advance fees of approximately \$1,104,000, and \$1,166,000, and \$1,242,000 in fiscal years ended 2018, 2019, and 2020, respectively, and amortization of advance fees of approximately \$639,000 and \$695,000 for the six-month period ended June 30, 2020 and 2021, respectively.

* Paycheck Protection Program Loan forgiveness.

Debt Service Coverage Ratio

Under the provisions of the Master Indenture, the Corporation is required to report its Debt Service Coverage Ratio for each fiscal quarter, commencing with the fiscal quarter ending March 31, 2018. The following table sets forth the Corporation's Debt Service Coverage Ratio, as calculated in accordance with the then-applicable methodology.

	Audited Fiscal Year Ended <u>12/31/2018</u>	Audited Fiscal Year Ended <u>12/31/2019</u>	Audited Fiscal Year Ended <u>12/31/2020</u>	Unaudited Six-Month Period Ended (3) <u>6/30/2021</u>
Increase in net deficit without donor restrictions	\$ (4,906,175)	\$ (1,784,405)	\$ (4,228,299)	\$ (2,471,062)
Deduct:				
Amortization of advanced fees	1,103,678	1,166,070	1,241,931	1,390,260
Gain on settlement agreements	-	2,702,299	-	-
Gain on loan forgiveness	-	-	-	757,900
Net unrealized gains (losses) on investments	(121,737)	492,369	340,360	335,744
Add:				
Depreciation and amortization	3,065,377	3,110,563	3,082,686	3,133,308
Interest	4,453,420	4,712,253	4,934,008	4,952,612
Highview marketing costs	-	536,494	683,862	885,678
Entrance fees received on resident turnover	9,066,624	7,264,885	9,134,402	11,591,352
Refunds on entrance fees	(8,485,776)	(3,943,393)	(5,268,995)	(8,685,113)
Income available for debt services	<u>\$ 2,211,529</u>	<u>\$ 5,535,659</u>	<u>\$ 6,755,373</u>	<u>\$ 6,922,871</u>
Maximum annual debt service	\$ 3,707,942	\$ 4,535,240	\$ 5,504,246	\$ 5,504,246
Long-term debt service coverage ratio	0.60 ⁽¹⁾	1.22	1.23	1.26
Requirements	1.10	1.10 ⁽²⁾	1.10 ⁽²⁾	1.10 ⁽²⁾

(1) On March 4, 2019, the Corporation entered into a Forbearance Agreement with the bond trustee under the Series 2016 Bonds and under the Series 2017 Bonds, pursuant to which the bond trustee under the Series 2016 Bonds and under the Series 2017 Bonds agreed to forbear from the exercise of any rights or remedies under the documentation of the Series 2016 Bonds and under the documentation of the Series 2017 Bonds arising by reason of the Alleged Defaults or the Covenant Default or from otherwise taking action with respect to the Alleged Defaults or the Covenant Default, until the earlier of either (a) May 30, 2020, or (b) the occurrence of any of certain events defined in the Forbearance Agreement as "Forbearance Termination Events."

(2) For the fiscal years ended December 31, 2019, the basis of the calculation was Adjusted Actual Annual Debt Service on all Series 2017 Bonds Only. For the fiscal year ended December 31, 2020 and thereafter, the basis of the calculation will be the Maximum Annual Debt Service on all Long-Term Indebtedness (including the Series 2016 Bonds, the Series 2017 Bonds, and the Series 2020 Bonds). The Maximum Annual Debt Service on the Series 2016 Bonds, the Series 2017 Bonds, and the Master Obligations securing the Series 2016 Bonds and Series 2017 Bonds, is determined based upon the Initial Interest Rates applicable to those bonds and obligations; i.e., the interest rates applicable to those bonds and obligations on the date of issuance thereof. See "SECURITY FOR THE SERIES 2020 BONDS – Covenants - Debt Service Ratio Covenant" in the front part of the Official Statement.

(3) Based on January 1, 2021 - June 30, 2021 results, annualized.

Days Cash on Hand

Under the provisions of the Master Indenture, the Corporation is required to report its Days Cash on Hand, for each fiscal quarter. The following table sets forth the Corporation's Days Cash on Hand, as calculated in accordance with the then-applicable methodology.

	Fiscal Year Ended	Fiscal Year Ended (1)	Fiscal Year Ended (1)	Six-Month Period Ended (1)
	12/31/2018	12/31/2019	12/31/2020	6/30/2021
Cash and Investments:				
Cash and cash equivalents	\$ 3,413,536	\$ 704,651	\$ 2,511,044	\$ 2,203,681
Assets limited as to use	4,555,190	13,137,924	20,947,803	20,736,021
Short-term investments	-	2,005,225	2,681,841	2,876,485
Less Trustee-held funds other than those in the interest reserve fund	-	(8,471,365)	(16,919,842)	(16,592,197)
Total	<u>\$ 7,968,726</u>	<u>\$ 7,376,435</u>	<u>\$ 9,220,846</u>	<u>\$ 9,223,990</u>
 Total operating expenses	 16,983,860	 17,754,327	 18,024,732	 18,331,580
Less:				
Depreciation and amortization	(3,065,377)	(3,110,563)	(3,082,686)	(3,133,308)
Amorization of debt issuance costs and bond discount	(109,113)	(127,270)	(135,282)	(155,682)
	<u>\$ 13,809,370</u>	<u>\$ 14,516,494</u>	<u>\$ 14,806,764</u>	<u>\$ 15,042,590</u>
 Operating expense per day	 \$ 37,834	 \$ 39,771	 \$ 40,566	 \$ 41,213
 Days cash on hand ratio	 211	 185	 227	 224

(1) Beginning with the calculation for the year ended December 31, 2019, this amount is Unrestricted Cash and Investments, plus the amount on deposit in the Interest Reserve Fund. See "SECURITY FOR THE SERIES 2021 BONDS – Covenants - *Liquidity Covenant*" in the front part of the Official Statement.

Budget and Budgetary Process

The management of the Community develops the budget in collaboration with department managers. Together, they analyze the current financial condition of the organization and establish assumptions for the next Fiscal Year's budget. Occupancy projections are developed for the remainder of the current Fiscal Year and into the next year based on current trends. Expense budgets are developed based on trends over the past three Fiscal Years, current year-to-date expenditures and occupancy projections. Management uses input from employees and Residents through Resident and employee satisfaction surveys, comment cards, department committee meetings, staff meetings and Resident roundtable discussions to evaluate the services that the Corporation provides to the Residents. The Chief Financial Officer also seeks input through advisory meetings with the Community Resident Association's Finance Committee, the Community Resident Association's Executive Committee, and Residents. The Manager then presents the budget to the Corporation's Board for final approval. An annual budget update presentation is provided to Residents which discusses financial trends, any Monthly Service Fee increase, and support for the increase through explanation of the next Fiscal Year's budget.

Management's Discussion of Financial Performance

Six-month Period Ended June 30, 2021

For the six months ended June 30, 2021, Unrestricted Net Assets from Operations generated a deficit of \$1,235,531. The decrease in Unrestricted Net Assets was an improvement of \$1,228,231 over the six-month ending June 30, 2021. Independent Living Unit occupancy averaged 97% during the six-month period ended June 30, 2021. Move-ins totaled 9 for the six months ending June 30, 2021 against a budget of 8. Net Refundable Entrance Fee income less refunds was \$1,093,992 for the six months ended June 30, 2021. Unrestricted Cash and Cash Equivalents and Investments net of Phase II Expansion deposits, decreased by approximately \$38,000 for the six months ended June 30, 2021.

Fiscal Year Ended December 31, 2020

For the Fiscal Year ended December 31, 2020, Unrestricted Net Assets from Operations generated a deficit of \$4,228,299. The decrease in Unrestricted Net Assets was an improvement of \$258,405 over the prior Fiscal Year (without taking into account a \$2,707,299 gain on settlement in the prior Fiscal Year). Independent Living Unit occupancy averaged 98% during the Fiscal Year ended December 31, 2020. Move-ins totaled 17 for the Fiscal Year ended December 31, 2020, against a budget of 16. Net Refundable Entrance Fee income less refunds was \$4,576,450 for the Fiscal Year ended December 31, 2020. Unrestricted Cash and Cash Equivalents and Investments net of Phase II Expansion deposits, increased by approximately \$2.5 million for the Fiscal Year ended December 31, 2020.

Fiscal Year Ended December 31, 2019

For the Fiscal Year ended December 31, 2019, Unrestricted Net Assets from Operations generated a deficit of \$4,486,704 (without taking into account a \$2,707,299 gain on settlement). The decrease in Unrestricted Net Assets was a decrease of \$419,471 over the prior Fiscal Year (As Adjusted). Independent Living Unit occupancy averaged 98% during the Fiscal Year ended December 31, 2019. Move-ins totaled 13 for the Fiscal Year ended December 31, 2019, against a budget of 16. Turnover totaled 14, for a net loss of 1, resulting in net refundable Entrance Fees of \$2,349,074 for the Fiscal Year ended December 31, 2019. Unrestricted Cash and Cash Equivalents and Investments decreased by approximately \$1,112,000 for the Fiscal Year ended December 31, 2019 when compared to the prior Fiscal Year. A new Interest Reserve Fund was opened with \$1,500,000.

Fiscal Year Ended December 31, 2018

For the Fiscal Year ended December 31, 2018, Unrestricted Net Assets from Operations generated a deficit of \$4,906,175. The decrease in Unrestricted Net Assets was a decrease of \$572,391 over the prior Fiscal Year (As Adjusted). Independent Living Unit occupancy averaged 97% during the Fiscal Year ended December 31, 2018. Move-ins totaled 12 for the Fiscal Year ended December 31, 2018, against a budget of 16. Turnover totaled 14, for a net loss of 2. Due to the timing of Entrance Fee refunds, the resulting net refundable Entrance Fees was negative \$314,656 for the Fiscal Year ended December 31, 2018. Unrestricted Cash and Cash Equivalents and Investments decreased by approximately \$1,419,000 for the Fiscal Year ended December 31, 2018 when compared to the prior Fiscal Year. Entrance fee refunds of over \$1,500,000 were paid in the first quarter of 2018 but the new Entrance Fees were paid in December 2017.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS FOR THE YEARS
ENDING DECEMBER 31, 2020 AND 2019**

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Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community

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Financial Statements

Years Ended December 31, 2020 and 2019



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Independent Auditors' Report

Board of Directors
Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community

We have audited the accompanying financial statements of Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community (the "Corporation"), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and changes in net deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

Raleigh, NC
April 27, 2021

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Balance Sheets
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,511,044	\$ 704,651
Assets limited as to use, current portion	6,730,766	1,279,166
Accounts receivable	11,075	31,098
Sales tax receivable	36,814	37,931
Prepaid expenses	299,787	156,436
Short-term investments	2,681,841	2,005,225
Total current assets	<u>12,271,327</u>	<u>4,214,507</u>
Non-current assets:		
Assets limited as to use, less current portion	14,217,037	11,858,758
Property and equipment, net	108,391,631	108,001,806
Other receivables	69,816	2,861
Note receivable	500,000	500,000
Deferred marketing costs, net	146,359	152,823
Total non-current assets	<u>123,324,843</u>	<u>120,516,248</u>
Total assets	<u>\$ 135,596,170</u>	<u>\$ 124,730,755</u>
LIABILITIES AND NET DEFICIT		
Current liabilities:		
Bonds payable, current portion	\$ 1,105,000	\$ 1,060,000
Current portion of paycheck protection program note payable	373,569	-
Accounts payable	344,830	427,921
Accrued interest payable	389,371	393,344
Resident refunds payable	1,042,459	1,701,013
Resident deposits	6,341,395	885,822
Other liabilities	155,907	226,732
Total current liabilities	<u>9,752,531</u>	<u>4,694,832</u>
Long-term liabilities:		
Bonds payable, less current portion, net	85,882,543	80,947,966
Paycheck protection program note payable, less current portion	384,331	-
Subordinated obligations	19,328,947	18,753,547
Refundable entrance fees	87,574,576	83,573,364
Deferred revenue from advance fees	8,564,531	8,477,554
Total long-term liabilities	<u>201,734,928</u>	<u>191,752,431</u>
Total liabilities	<u>211,487,459</u>	<u>196,447,263</u>
Net assets (deficit):		
Without donor restrictions	(76,047,903)	(71,819,604)
With donor restrictions	156,614	103,096
Total net deficit	<u>(75,891,289)</u>	<u>(71,716,508)</u>
Total liabilities and net deficit	<u>\$ 135,596,170</u>	<u>\$ 124,730,755</u>

The accompanying notes are an integral part of these financial statements.

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Statements of Operations and Changes in Net Deficit
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues, gains and other support:		
Net residential service fees, including amortization of advance fees of approximately \$1,242,000 and \$1,166,000 in 2020 and 2019, respectively	\$ 12,237,445	\$ 11,373,517
Interest income	200,248	350,874
Other	1,018,380	1,021,681
Total revenues, gains, and other support	13,456,073	12,746,072
Expenses:		
General and administrative	3,715,947	3,498,094
Depreciation and amortization	3,082,686	3,110,563
Dining services	1,766,481	1,784,959
Marketing	934,352	895,016
Healthcare services	1,627,008	1,799,998
Transportation & security services	545,236	493,894
Building and grounds maintenance	800,567	881,408
Housekeeping	315,984	287,111
Resident Life	272,102	249,011
Other	30,361	42,020
Interest	4,934,008	4,712,253
Total expenses	18,024,732	17,754,327
Loss from operations	(4,568,659)	(5,008,255)
Non-operating gains:		
Net unrealized and realized gains on short-term investments	340,360	521,551
Gain on settlement agreements	-	2,702,299
Net non-operating gains	340,360	3,223,850
Increase in net deficit without donor restrictions	(4,228,299)	(1,784,405)
Change in net assets with donor restrictions:		
Contributions	53,518	59,304
Increase in net deficit	(4,174,781)	(1,725,101)
Net deficit, beginning of year	(71,716,508)	(69,991,407)
Net deficit, end of year	\$ (75,891,289)	\$ (71,716,508)

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Increase in net deficit	\$ (4,174,781)	\$ (1,725,101)
Adjustments to reconcile increase in net deficit to net cash used by operating activities:		
Net unrealized gains on short-term investments	(265,719)	(492,369)
Net realized gains on short-term investments	(74,641)	(29,182)
Proceeds from non-refundable advance fees	1,464,713	1,160,778
Depreciation	3,054,972	3,084,558
Amortization of debt issuance costs and bond discount	135,282	127,270
Amortization of marketing costs	27,714	26,005
Amortization of advance fees	(1,241,931)	(1,166,070)
Interest and fee accrued - subordinate obligations	575,400	575,400
Gain on settlement agreements	-	(2,702,299)
Net change in:		
Accounts receivable	20,023	26,845
Entrance fees receivable	(66,955)	8,335
Sales tax receivable	1,117	39,084
Prepaid expenses	(143,351)	58,692
Deferred marketing costs	(21,250)	(18,300)
Accounts payable	(83,091)	(379,442)
Accrued interest payable	(3,973)	(32,985)
Other liabilities	(70,825)	(1,502)
Net cash used by operating activities	<u>(867,296)</u>	<u>(1,440,283)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(3,444,797)	(3,761,610)
Net change in assets limited as to use and short-term investments	(140,800)	906,446
Net cash used by investing activities	<u>(3,585,597)</u>	<u>(2,855,164)</u>
Cash flows from financing activities:		
Proceeds from bond issuance, net	6,307,547	-
Payment of deferred financing costs	(393,252)	(477,251)
Payment on subordinated obligations	-	(1,000,000)
Payment on bonds payable	(1,070,000)	(550,000)
Payment on notes payable	-	(14,737)
Refunds of entrance fees	(5,268,995)	(3,943,393)
Refundable entrance fees received	13,931,421	6,104,107
Proceeds from paycheck protection program note payable	757,900	-
Net cash provided by financing activities	<u>14,264,621</u>	<u>118,726</u>
Net change in cash	9,811,728	(4,176,721)
Cash and restricted cash, beginning of year	<u>11,238,702</u>	<u>15,415,423</u>
Cash and restricted cash, end of year	<u>\$ 21,050,430</u>	<u>\$ 11,238,702</u>

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

(Continued)

	2020	2019
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 4,877,074	\$ 4,567,106
Non cash investing and financing activities:		
Refunds of entrance fees included in resident refunds payable	\$ 658,553	\$ 1,701,012
Property and equipment acquired through settlement agreements	\$ -	\$ 253,570
Forgiven debt from debt settlement	\$ -	\$ 2,311,530
Accrued settlement reserve	\$ -	\$ 751,000

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Community

Samaritan Housing Foundation, Inc. (the "Corporation") d/b/a Searstone Retirement Community, is a not-for-profit corporation that acquired real property to develop, market and operate as a continuing care retirement community in Cary, North Carolina (the "Community"). The Community consists of 131 apartments, 38 estate homes, 14 assisted living beds, and 25 skilled nursing beds. The Community also features common areas as well as a clubhouse, a spa/wellness center with an indoor pool, a library/business center, an arts and crafts studio, living areas, a club room and other spaces as appropriate. The first units in the Community were available for occupancy in November 2013.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash and Cash Equivalents

The Corporation's operating cash is placed with high credit quality institutions. The funds on deposit are in excess of federally insured amounts. Restricted cash is included with cash and cash equivalents in the statements of cash flows.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the total amounts shown in the statements of cash flows.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,511,044	\$ 704,651
Investments	106,333	104,041
Assets whose use is limited		
Held by trustee	12,575,066	9,980,716
Resident deposits	5,846,395	428,822
Other	<u>11,592</u>	<u>20,472</u>
Total cash, cash equivalents and restricted cash shown in statements of cash flows	<u>\$ 21,050,430</u>	<u>\$ 11,238,702</u>

Assets Limited as to Use

Assets limited as to use include amounts held by a trustee which are limited as to use in accordance with certain bond documents to which the Corporation is a party, deposits of entrance fees paid by residents, and assets designated by the Board.

Reserves required by state statute represent an amount set aside to meet the requirements of North Carolina General Statute Chapter 58, Article 64. Under this legislation, the Corporation is required to maintain an operating reserve at least equal to 25% (50% if occupancy is less than 90%) of the year's total forecasted operating costs as

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Notes to Financial Statements

defined by the statute. The Corporation's Board of Directors has designated approximately \$2,515,000 and \$2,708,000 at December 31, 2020 and 2019, respectively, as reserves required by state statute.

Debt Issuance Costs

Debt issuance costs include the costs incurred in relation to the issuance of debt. The debt issuance costs are being amortized over the life of the debt using the straight-line method.

Deferred Marketing Costs

The Corporation defers the costs incurred in acquiring initial continuing-care contracts that are expected to be recovered from future revenues. These costs include salaries and commissions paid to sales office personnel located at the Community. The costs are amortized on a straight-line basis over the expected lives of the residents under the contract. Amortization expense related to deferred marketing costs were \$27,714 and \$26,005 for the years ended December 31, 2020 and 2019, respectively.

Property and Equipment

The Corporation capitalizes all expenditures in excess of \$1,500 for assets having a useful life greater than one year at cost. Contributed property and equipment is recorded at fair value at the date of the donation. If the donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Routine repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as shown below:

Buildings	5 to 40 years
Furniture and fixtures	2 to 25 years
Vehicles	5 to 7 years

Net Assets

Net assets of the Corporation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by action of the Corporation and/or the passage of time.

Statement of Operations and Changes in Net Deficit

For the purposes of presentation, transactions deemed by management to be ongoing, major, or central to providing long-term care to residents are reported as operating revenues and expenses. Peripheral or incidental transactions are reported as non-operating gains and losses. Changes in net deficit without donor restrictions which are excluded from the loss from operations, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Resident Deposits

Each prospective Community resident is required to pay an entrance fee deposit. Entrance fee deposits are maintained in an escrow account at a financial institution. These funds will be applied to each prospective resident's total entrance fee due upon occupancy. Each prospective Community resident's entrance fee deposit is subject to refund at any time prior to occupying their unit.

Future Community residents who request upgrades and personalized features in their units are required to pay a deposit on these items. These funds will be applied to each future resident's total unit cost. Resident deposits are recorded as assets limited as to use, until the resident occupies the unit.

Liquidity Support Deposits

Liquidity support deposits were made (see Note 10) to ensure additional liquidity during the construction period of the Community. These funds were to be used to complete initial construction of the Community, if needed; in which case they would be replenished from entrance fees after a working capital fund held by the trustee was funded when the Community opened. These funds have been used for additional working capital for operations. Interest is earned on the liquidity support deposits and is due, with the original principal, after certain conditions are met.

Deposits on Unoccupied Units

Deposits for living units to be occupied in the future are deferred when received. A portion of the deposit is refundable if the resident terminates the continuing care contract.

Deferred Revenue from Advance Fees

Deferred revenue from advance fees represent payments made by a resident in exchange for the use and privileges of the Community for life or until termination of the residency agreement. These advance fees may be partially refundable upon termination of the agreement and decline each month of occupancy straight-line over 50 months and are paid after termination of the residency agreement, provided the resident's unit is reoccupied.

Advance fees are recorded as deferred revenue and recognized as revenue earned on a straight-line basis over the estimated remaining life of each resident, actuarially adjusted annually. Any unrecognized deferred revenue at the date of death or termination of the contract is recorded as income in the period the death or termination of the contract occurs.

Continuing Care Contracts

The Corporation enters into continuing care contracts with various residents. A continuing care contract is an agreement between a resident and the Corporation specifying the services and facilities to be provided over the resident's remaining life. Under the contracts, the Corporation has the ability to increase fees as deemed necessary.

Future Service Obligation

At the end of the year, the Corporation calculates the present value of the estimated net cost of future services to be provided, including the cost of the facilities to current residents, and compares the amount with the deferred revenue from advance fees at that date. If the present value of the net cost of future services and use of facilities exceeds the deferred revenue from advance fees, a future service obligation is recorded. No liability has been recorded as of December 31, 2020 and 2019, because the present value of the estimated net costs of future services and use of facilities was less than deferred revenues from advance fees. The present value of the net cost of future services and use of facilities was discounted at 5.5% in 2020 and 2019.

Net Deficit

The Corporation has a significant net deficit as of December 31, 2020. Management continues on its plan to address the net asset deficiency. These plans include controlling operating expenses while maintaining quality and maintaining occupancy. These factors, along with the 2017 refinancing of the Series 2012 Bonds, will reduce the yearly operating losses. The Community's Brittany Place healthcare facility expansion opened in the second quarter of 2019 and includes 15 new healthcare beds (consisting of six assisted living beds and nine skilled nursing beds). The opening of the Brittany Place expansion has reduced the need to transfer some current healthcare residents to off-site facilities, and reduction of the resulting expense to the Corporation. It has also facilitated the transfer of some former independent living residents to the Brittany Place healthcare facility, thereby allowing their independent living units to be resold and resulting in an increase in the revenue base. Long term, Phase II of the Community is in the planning stage, which once complete will almost double the number of units in both independent living and the healthcare. Through careful management and the additional units, the Corporation plans to decrease the yearly net losses with a goal to eventual show a net asset increase.

Net Resident Service Revenue

Net resident service revenue represents the estimated net realizable amounts from residents, third-party payers, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. The Corporation does not accept the assignment of benefits from third party payers and is private pay.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

The Community is located in Cary, North Carolina and substantially all of its residents are local residents. Throughout the year the Corporation has bank balances which exceeded federal depository limit.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Corporation has determined that it does not have any material unrecognized tax benefits or obligations as of 2020 or 2019.

Investments

Investments in mutual funds, exchange-traded funds, money markets, common stocks, corporate bonds, and US Treasury/Agency securities are measured at fair value based on quoted market prices. Net investment gains (losses) are reported in the statement of operations and consists of interest and investment income, realized and unrealized gains and losses, less external investment expenses. See Note 11 for further discussion of fair value measurements.

Financial Assistance

The Corporation currently maintains a financial assistance program and policy for Community residents holding continuing care residency agreements in the event the resident(s) should become unable to pay for services. The Corporation reserves the right to change the program and policy and does not guarantee future financial assistance. Since the Corporation does not expect to collect the normal charges for services provided for those residents who meet the financial assistance provisions, estimated charges for such assistance are not included in revenue. The cost of the charity care provided by the Corporation is based on the financial assistance that is disclosed in Note 12. No financial assistance was provided during year ended December 31, 2020 or 2019.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the presentation of the 2020 financial statements. Changes in net assets previously reported for 2019 were not affected by these reclassifications.

Subsequent Events

The Community evaluated the effect subsequent events would have on the financial statements through April 27, 2021, which is the date the financial statements were available to be issued.

2. Fair Value of Financial Instruments

The carrying amounts of the Corporation's financial instruments, excluding bonds payable, approximate their fair values. The fair values of the Corporation's bonds payable are estimated based on the quoted market prices for the same or similar issues.

The carrying amount and fair value of the Corporation's bonds payable at December 31 follows:

	2020		2019	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Bonds payable	<u>\$ 92,816,823</u>	<u>\$ 91,795,000</u>	<u>\$ 89,010,644</u>	<u>\$ 85,195,000</u>

3. Revenue

The Corporation generates revenues, primarily by providing housing and health services to Community residents. The following streams of revenue are recognized as follows:

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
Notes to Financial Statements

Monthly service fees:

The life care contracts that residents select require an advanced fee and monthly fees based upon the type of space they are applying for. Resident fee revenue for recurring and routine monthly services is generally billed monthly in advance. Payment terms are usually due within 30 days. The services provided encompass social, recreational, dining along with assisted living and nursing care and these performance obligations are earned each month. Resident fee revenue for non-routine or additional services are billed monthly in arrears and recognized when the service is provided.

Entrance fees:

The nonrefundable entrance fees are recognized as deferred revenue upon receipt of the payment and included in liabilities in the balance sheet until the performance obligations are satisfied. The refundable portion of an entrance fee is not considered part of the transaction price and as such is recorded as a liability in the balance sheet. Additionally, management has determined the contracts do not contain a significant financing component as the advanced payment assures residents the access to health care in the future. These deferred amounts are then amortized on a straight-line basis into revenue on a monthly basis over the life of the resident as the performance obligation is the material right associated with access to future services as described in FASB ASC 606-10-55 paragraph 42 and 51.

The disaggregated revenue from residential service revenue by service line for the years ended December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Independent living	\$ 11,856,320	\$ 11,142,987
Assisted living	572,315	400,689
Skilled nursing	<u>827,190</u>	<u>851,522</u>
Total residential revenue	<u>\$ 13,255,825</u>	<u>\$ 12,395,198</u>

The Corporation provides a fully refundable residential fee upon termination of the agreement in the event of move-out, death or termination by the Corporation. The fully refundable residential fee is in conjunction with the continuing care contracts, and the Corporation has both Life Care (Type A) and Fee for Service (Type C) contracts. The refundable amount will be equal to one hundred percent of the residential fee less any amounts due to the Corporation from the resident. The total amount of contractual refund obligations under existing contracts totaled approximately \$90,164,000 and \$83,021,000 at December 31, 2020 and 2019, respectively. There were no entrance fees receivable at December 31, 2020 and 2019, respectively. Refundable entrance fees become currently payable when the contract terminates and the Corporation has received the then-applicable entrance fee for a residence of the same type as the former resident's residence. Resident refunds payable were approximately \$1,042,000 and \$1,701,000 at December 31, 2020 and 2019, respectively.

4. Assets Limited As To Use

The composition of assets limited as to use at December 31 is set forth in the table below.

	<u>2020</u>	<u>2019</u>
Held by trustee	\$ 12,575,066	\$ 9,980,716
Reserves required by state statute	2,514,750	2,707,914
Resident deposits	5,846,395	428,822
Other	<u>11,592</u>	<u>20,472</u>
Total assets limited as to use	<u>\$ 20,947,803</u>	<u>\$ 13,137,924</u>

5. Property and Equipment

Property and equipment at December 31 consists of:

	<u>2020</u>	<u>2019</u>
Land	\$ 21,089,426	\$ 21,089,426
Land improvements	1,364,931	1,166,081
Buildings	83,259,089	82,557,212
Furniture and fixtures	2,063,658	2,018,256
Vehicles	176,265	176,265
Construction in progress	5,069,980	3,344,291
Capitalized interest	<u>16,733,404</u>	<u>16,047,213</u>
Total property and equipment	129,756,753	126,398,744
Accumulated depreciation	<u>(21,365,122)</u>	<u>(18,396,938)</u>
Property and equipment, net	<u>\$ 108,391,631</u>	<u>\$ 108,001,806</u>

6. Resident Deposits

Resident deposits consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Resident deposits – reservations	\$ 260,977	\$ 428,822
Resident priority – Highview	5,620,418	67,000
Resident deposits – waiting list	<u>460,000</u>	<u>390,000</u>
Total resident deposits	<u>\$ 6,341,395</u>	<u>\$ 885,822</u>

7. Bonds Payable

Bonds payable consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Series 2016:		
Term bonds due 2049, interest rate of 6.312%	\$ 8,000,000	\$ 8,000,000
Series 2017A:		
Term bonds due 2027, interest rate of 4.562%	4,345,000	4,400,000
Term bonds due 2037, interest rate of 5.512%	19,055,000	19,055,000
Term bonds due 2047, interest rate of 5.612%	32,235,000	32,235,000
Term bonds due 2052, interest rate of 5.687%	16,030,000	16,040,000
Series 2017B:		
Term bonds due 2024, interest rate of 4.437%	4,460,000	5,465,000
Series 2020A:		
Term bonds due 2053, interest rate of 6.000%	4,600,000	-
Series 2020B:		
Term bonds due 2025, interest rate of 7.750%	2,000,000	-

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Total bonds payable	90,725,000	85,195,000
Less: current portion	(1,105,000)	(1,060,000)
Less: unamortized debt issuance costs	(1,912,868)	(1,599,854)
Less: unamortized original issue discount	<u>(1,824,589)</u>	<u>(1,587,180)</u>
Total bonds payable, net	<u>\$ 85,882,543</u>	<u>\$ 80,947,966</u>

Bond Issuances

In June 2012, the Corporation issued \$56,135,000 of tax-exempt, fixed rate Revenue Bonds Series 2012A ("2012A Bonds"), \$60,375,000 of tax-exempt, fixed rate Revenue Bonds Series 2012B ("2012B Bonds") and \$940,000 taxable, fixed-rate Revenue Bonds Series 2012C ("2012C Bonds") through the Public Finance Authority of the State of Wisconsin (collectively, "2012 Bonds"). The proceeds of the 2012 Bonds were being used for the acquisition by the Corporation from Sears Farm of the Phase I Site, for construction of Phase I of the Community, to fund a Debt Service Reserve Fund securing the 2012 Bonds, to fund capitalized interest for the Series 2012 Bonds, and to pay costs of issuance of the 2012 Bonds. The Series 2012B Bonds were repaid with proceeds from initial entrance fees received. The Series 2012C Bonds were paid off in full in 2014 using entrance fees received. The Series 2012A Bonds were issued at a discount of \$49,484, which was being amortized as interest expense over the life of the bonds using the effective interest method. In December 2017, the Series 2012A Bonds were repaid with the proceeds of the Series 2017A and Series 2017B Bonds, in a bond defeasance.

In December 2016, the Corporation issued \$8,000,000 of tax-exempt, fixed rate Revenue Bonds Series 2016 ("2016 Bonds") through the Public Finance Authority of the State of Wisconsin. The proceeds of the 2016 Bonds were being used for purchase of the Phase II Expansion Site (other than one lot ("Lot 37")), landscaping, and the expansion of Community's Brittany Place nursing facility. The Series 2016 Bonds were issued at a discount of \$538,560, which is being amortized as interest expense over the life of the bonds using the effective interest method.

In December 2017, the Corporation issued \$71,730,000 of tax-exempt, fixed rate Revenue Refunding Bonds Series 2017A ("2017A Bonds") and \$6,015,000 of tax-exempt, fixed rate Revenue Bonds Series 2017B ("2017B Bonds") through the Public Finance Authority of the State of Wisconsin (collectively, "2017 Bonds"). The proceeds of the 2017 Bonds were to be used to advance refund and defease the Series 2012A Bonds, to finance improvements and expansion of the facilities of the Community, to fund a Debt Service Reserve Fund, and to pay costs of issuance of the 2017 Bonds. The Series 2017 Bonds were issued at a discount of \$1,166,175, which is being amortized as interest expense over the life of the bonds using the effective interest method.

In June 2020, the Corporation issued \$4,600,000 of tax-exempt, fixed rate Revenue Bonds Series 2020A ("2020A Bonds") and \$2,000,000 of taxable, fixed rate Revenue Bonds Series 2020B ("2020B Bonds") through the Public Finance Authority of the State of Wisconsin (collectively, "2020 Bonds"). The proceeds of the 2020 Bonds were to be used to finance pre-development costs relating to the Phase II Expansion of the Community, landscaping and improvements of the facilities of the Community. The Series 2020 Bonds were issued at a discount of \$292,453, which is being amortized as interest expense over the life of the bonds using the effective interest method.

Bond Terms

Interest on the 2016 Bonds, 2017 Bonds, and 2020 Bonds is due semi-annually, on each June 1 and December 1. The Series 2016 Bonds, 2017 Bonds, and 2020 Bonds are collateralized by substantially all of the assets of the Corporation, including all real property, personal property, and gross revenues of the Corporation. The Corporation's obligations associated with the Series 2016 Bonds were guaranteed by Sears Farm pursuant to an Amended and Restated Guaranty Agreement (the "Sears Farm Guaranty"). Performance by Sears Farm of its obligations pursuant to the Sears Farm Guaranty, and performance by the Corporation of the Corporation's obligations associated with the Series 2016 Bonds, was secured by an Amended and Restated Deed of Trust encumbering

certain of the Sears Farm property (the "Sears Farm Deed of Trust"). As described below certain terms on the 2016 Bonds and 2017 Bonds were amended which included an increase to the interest rate on the 2016 Bond and 2017 Bonds by 0.3125% per annum.

Sears Farm Bankruptcy

On March 1, 2018 Sears Farm (which is not affiliated with the Corporation) commenced a Chapter 11 bankruptcy case, in the United States Bankruptcy Court for the Eastern District of North Carolina (the "Sears Farm Bankruptcy"). The Sears Farm Bankruptcy was an event of default on the part of Sears Farm under the Sears Farm Guaranty and the Sears Farm Deed of Trust. The bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds was of the view that the Sears Farm Bankruptcy was an event of default on the part of the Corporation under the Series 2016 Bonds, and that such default on the part of the Corporation under the Series 2016 Bonds was an event of default on the part of the Corporation under the Series 2017 Bonds (the "Alleged Defaults"), notwithstanding that the Corporation may be in compliance with all of its obligations under the Series 2016 Bonds and the Series 2017 Bonds. The Corporation disagreed with the bond trustee's and master trustee's view as to the effect of the Sears Farm Bankruptcy on the Series 2016 Bonds and the Series 2017 Bonds.

The parties' disputes were resolved, as reflected in a Mediated Settlement Agreement (and a more fulsome Settlement Agreement among Sears Farm, the Corporation, and the bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds, executed and delivered in April 2019) (the "Settlement Agreements"). In the Settlement Agreements the bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds waived the Alleged Defaults. A Plan of Reorganization for Sears Farm, which incorporated provisions of the Settlement Agreements, was confirmed by the Bankruptcy Court in May 2019 (the "Plan").

Pursuant to the Settlement Agreements and the Plan, among other things, in July 2019, the principal documents relating to the Series 2016 Bonds and Series 2017 Bonds were amended and restated, including the following:

- Amended and Restated Indenture of Trust, dated July 31, 2019 (the "2016 Bond Indenture"), between the Public Finance Authority (the "Authority") and UMB Bank, National Association, as Bond Trustee (the "Bond Trustee");
- Amended and Restated Bond Trust Indenture, dated July 31, 2019 (the "2017 Bond Indenture"), between the Public Finance Authority (the "Authority") and UMB Bank, National Association, as Bond Trustee (the "Bond Trustee");
- Amended and Restated Loan Agreement dated July 31, 2019 (the "2016 Loan Agreement"), between the Authority and the Corporation;
- Amended and Restated Loan Agreement dated July 31, 2019 (the "2017 Loan Agreement"), between the Authority and the Corporation;
- Second Amended and Restated Master Trust Indenture, dated July 31, 2019 (as supplemented, the "Master Indenture"), between the Corporation and UMB Bank, National Association, as Master Trustee (the "Master Trustee"), as supplemented by Amended and Restated Supplemental Indenture Number 1, dated July 31, 2019 ("Supplemental Indenture Number 1"), between the Corporation and the Master Trustee, as supplemented by Amended and Restated Supplemental Indenture Number 2, dated July 31, 2019 ("Supplemental Indenture Number 2"), between the Corporation and the Master Trustee, and as further supplemented by Amended and Restated Supplemental Indenture Number 3, dated July 31, 2019 ("Supplemental Indenture Number 3"), between the Corporation and the Master Trustee;
- Third Amended and Restated Deed of Trust dated July 31, 2019 (the "Corporation Deed of Trust") from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee;
- Second Amended and Restated Guaranty Agreement dated July 31, 2019 (the "Second Amended and Restated Sears Farm Guaranty") from Sears Farm to the Master Trustee, which amended and restated

the terms of the Sears Farm Guaranty, which as amended and restated (i) guarantees payment of the Series 2016 Bonds but not the Series 2017 Bonds, and (ii) guarantees performance of all of the Corporation's obligations under the Master Indenture and the 2016 Loan Agreement; and

- Second Amended and Restated Deed of Trust dated July 31, 2019 (the "Second Amended and Restated Sears Farm Deed of Trust") from Sears Farm to the deed of trust trustee named therein for the benefit of the Master Trustee, which amended and restated the terms of the Sears Farm Deed of Trust, which as amended and restated secures performance by Sears Farm of its obligations pursuant to the Second Amended and Restated Sears Farm Guaranty, and performance by the Corporation of the Corporation's obligations associated with the Series 2016 Bonds.

As of December 31, 2020, required principal payments of long-term debt for the next five years and thereafter are as follows:

2021	\$ 1,105,000
2022	1,155,000
2023	1,200,000
2024	1,255,000
2025	3,305,000
Thereafter	<u>82,705,000</u>
	<u>\$ 90,725,000</u>

The Corporation is required to comply with certain financial covenants, which include debt service coverage and liquidity ratios. The Corporation was in compliance with these covenants at December 31, 2020.

8. Subordinate Obligations

The Corporation obtained pre-finance capital from MatchCap and Sears Farm of \$6,800,000 and \$2,390,000, respectively. The subordinated obligations accrue interest at 6% per annum, with a maximum amount of interest to be paid on the obligations equal to the amount of the original obligation, \$6,800,000 and \$2,390,000, respectively.

Certain fees in completion of the Community construction project are recorded as deferred fees that are also subordinated obligations. The Corporation owes approximately \$993,000 to Sears Farm, in connection with rezoning the Community site and other construction services at December 31, 2019 and 2018. The Corporation owes approximately \$501,000 and \$477,000 to Searstone – RLA, Inc. for management services at December 31, 2020 and 2019, respectively. The Corporation owes approximately \$711,000 to Sears, Hackney, Keener & Williams, Incorporated ("SHKW") at December 31, 2020 and 2019 as disclosed in more detail in Note 9. The deferred fees to Searstone – RLA, Inc. accrue simple interest monthly at a 6% annual rate. The other deferred fees do not accrue interest.

The Corporation entered into a balance purchase money note with Sears Farm in December 2016 for \$5,311,530 (the "Purchase Money Note") for the purchase of the Phase II Expansion Site (other than Lot 37). The Purchase Money Note incurred simple interest payable quarterly at a 3% annual rate. The Purchase Money Note was payable in full due on the earlier of the date of closing or the sale of bonds in a Phase II expansion bond financing or October 31, 2021. The Purchase Money Note is secured by a purchase money deed of trust which encumbers the Phase II Expansion Site (other than Lot 37) (the "Purchase Money Deed of Trust"). Per North Carolina law, the Purchase Money Note is non-recourse as to the Corporation.

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Pursuant to the Settlement Agreements and the Plan noted in Note 7 ("Sears Farm Bankruptcy"), among other things:

- The Corporation paid to Sears Farm the sum of \$1,000,000;
- Sears Farm conveyed to the Corporation Lot 37;
- The Purchase Money Note was modified, to (i) reflect the \$1 million Payment as a credit against the principal balance thereof, (ii) reduce the principal balance thereof by an additional \$2,311,530 (such that the remaining principal balance thereof was reduced to \$2,000,000), (iii) eliminate any obligation for interest to accrue on the unpaid principal balance of the Note from its inception, and (iv) extend for one year; i.e., until October 31, 2022, the "outside" maturity date of the Note; and
- The principal balance of the Purchase Money Note is to be credited with an amount equal to the monthly "Membership Fee" and up to \$600 per year of "Other Charges" otherwise payable by Mr. Sears or his spouse Rita Sears, pursuant to their Membership & Residency Agreement with the Corporation, from March 27, 2019 and for so long as either may reside in their Residence within the Community pursuant to that Membership & Residency Agreement (this was because the Settlement Agreements eliminated any obligation on the part of Mr. Sears or his spouse Rita Sears to pay those amounts).

As modified, the principal balance of the Purchase Money Note, after reduction for the above credits, is payable in full, without interest, in a single payment due on the earlier of (i) October 31, 2022, or (ii) the closing of a financing providing construction funding for a Phase II expansion in an amount sufficient to construct approximately 152 independent living units.

A summary of the principal and accrued interest amounts owed related to the subordinate obligations at December 31, 2020 and 2019, respectively, follows:

	2020			
	Match Cap	Sears Farm	Deferred Fees	Total
Original obligation	\$ 6,800,000	\$ 7,701,530	\$ 3,304,074	\$ 17,805,604
Less payment from debt settlement	-	(1,000,000)	-	(1,000,000)
Less forgone debt from debt settlement	-	(2,311,530)	-	(2,311,530)
Accrued interest	3,485,000	1,224,875	124,998	4,834,873
Total	\$ 10,285,000	\$ 5,614,875	\$ 3,429,072	\$ 19,328,947

	2019			
	Match Cap	Sears Farm	Deferred Fees	Total
Original obligation	\$ 6,800,000	\$ 7,701,530	\$ 3,304,074	\$ 17,805,604
Less payment from debt settlement	-	(1,000,000)	-	(1,000,000)
Less forgone debt from debt settlement	-	(2,311,530)	-	(2,311,530)
Accrued interest	3,077,000	1,081,475	100,998	4,259,473
Total	\$ 9,877,000	\$ 5,471,475	\$ 3,405,072	\$ 18,753,547

9. Notes Payable

The Corporation had a note payable due in monthly installments of \$982 which included interest at 6.00% and was secured by a vehicle. At December 31, 2018, the balance due on the note payable was \$14,737 which was due in March 2020. The note payable was paid in full in 2019.

Paycheck Protection Program

On March 27, 2020 the federal Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law, which intended to provide economic relief and emergency assistance for individuals, families, and businesses affected by COVID-19. In conjunction with the CARES Act, the Corporation applied for assistance under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The PPP provides small businesses and eligible nonprofit organizations with funds to pay up to 24 weeks of payroll costs including benefits. These funds can also be used to pay interest on mortgages, rent, and utilities.

On May 7, 2020, the Corporation received \$757,900 of loan proceeds and executed a promissory note with their lender. The loan matures on May 7, 2022 and accrues interest at a rate of 1% per annum with monthly payments of \$80,315 beginning on August 22, 2021. The CARES Act contains provisions to apply for forgiveness of the PPP loan, either completely or partially. On April 16, 2021, the Small Business Administration sent a notice of PPP forgiveness of \$757,900 and related interest.

10. Development, Management, and Marketing Agreements and Other Receivables

Greenbrier Development, LLC

The Corporation and Greenbrier Development, LLC ("Greenbrier") entered into a development consulting services agreement, pursuant to which Greenbrier provided development, consulting, marketing and pre-opening services in connection with the development of Phase I of the Community (the "Phase I Development Consulting Services Agreement"). Of the fees earned in prior years, approximately \$500,000 has been earned but deferred and is included within subordinate obligations on the balance sheets and payment thereof will be deferred until certain parameters are met. See Subordinate Obligations - Deferred Fees at Note 1. Greenbrier has performed all services to be performed by it pursuant to the Phase I Development Consulting Services Agreement, and no additional fees will be earned by Greenbrier pursuant to the Phase I Development Consulting Services Agreement.

The Corporation and Greenbrier are parties to a development consulting services agreement entered into during 2019, pursuant to which Greenbrier provides development, consulting, marketing and pre-opening services in connection with the Phase II Development. There were \$258,950 and \$306,620 in fees paid to Greenbrier for the year ended December 31, 2020 and 2019, respectively.

Sears, Hackney, Keener & Williams

Sear, Hackney, Keener & Williams ("SHKW") is a full-service architectural firm located in Cary, North Carolina. The Corporation has entered into development services and architectural services agreements with SHKW. Under the development services and architectural services agreements, SHKW provided consulting services related to permits and real estate approval and to provide support to Greenbrier for the design and construction, regulatory, financing and project management of the construction of the Community, as well as monitor the construction of the Community on behalf of the Corporation. SHKW has earned or will earn the fees set forth in the following chart:

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	Development Services	Architectural Services	Total
Fees:			
Earned prior to closing of Series 2012 Bonds	\$ 70,000	\$ 130,000	\$ 200,000
Earned upon closing of Series 2012 Bonds	296,667	1,040,971	1,337,638
Earned during construction period	400,000	504,935	904,935
Earned upon obtaining certificate of occupancy	673,333	37,741	711,074
Total fees	<u>\$ 1,440,000</u>	<u>\$ 1,713,647</u>	<u>\$ 3,153,647</u>

There were no fees earned by SHKW for the years ended December 31, 2020 and 2019. Of the fees earned in prior years, approximately \$711,000 has been earned but deferred and is included within subordinate obligations on the balance sheets. SHKW has performed all services to be performed by it pursuant to the development services and architectural services agreements, and no additional fees will be earned by SHKW pursuant to those agreements.

Searstone – RLA, Inc. and Retirement Living Associates, Inc.

Searstone – RLA, Inc. (the “Manager”) is organized under the laws of the State of North Carolina as a for-profit corporation for the purpose of providing management services for retirement living options including retirement housing and community development. The Manager is affiliated with Retirement Living Associates, Inc., (“RLA”) which provides professional management, marketing, development, consulting and advisory services to senior living communities throughout North Carolina. The Manager provided \$50,000, included within liquidity support in the balance sheet at December 31, 2018, of liquidity support to initial construction of the Community to be paid from initial entrance fees. As of December 31, 2019, the liquidity support deposit was returned by the Corporation to the Manager.

In 2011, the Corporation entered into a management agreement with the Manager (the “Initial Management Agreement”). Pursuant to the terms of the Initial Management Agreement, the Manager was responsible for the management of the Community’s Independent Living Units, Healthcare Center, and non-clinical aspects of the Community, including staffing, accounting and general administrative services. Pursuant to the terms of the Initial Management Agreement, the Manager was paid a base monthly fee for the first eight years following completion of initial construction, plus a percentage of the previous year’s billable income from the Independent Living Units.

The Initial Management Agreement terminated September 30, 2020, and the Corporation entered into a new management agreement with the Manager for a term which commenced on October 1, 2020 (the “2020 Management Agreement”). Pursuant to the terms of the 2020 Management Agreement, the Manager is responsible for the management of the Community’s Independent Living Units, Healthcare Center, and non-clinical aspects of the Community, including staffing, accounting and general administrative services. As compensation for services rendered pursuant to the 2020 Management Agreement, the Corporation is paying the Manager a Base Management Fee (the “Base Management Fee”) and will pay the Manager an Incentive Fee (the “Incentive Fee” and collectively with the Base Management Fee, the “Management Fee”).

The Base Management Fee is paid in the amount of \$27,500 per month during months 1-60 of the term of the 2020 Management Agreement, and \$31,000 per month during months 61-123 of the term of the 2020 Management Agreement. Upon issuance by the Town of Cary of a permanent certificate of occupancy for Phase II of the Community the amounts described above will increase to \$36,575 per month for during the months 1-60 of the term of the 2020 Management Agreement, and will increase to \$41,230 per month for months 61-123 of the term of the 2020 Management Agreement. The Incentive Fee is equal to the lesser of 1.00% of the Independent Living Monthly Fee Revenues collected with respect to the Community or 20% of the then applicable Base Management Fee.

The Management Fee is paid on a monthly basis. Commencing with the calendar year beginning on January 1, 2022, and for all subsequent calendar years, any increase in the Base Management Fee payable with respect to such calendar year over the Base Management Fee payable with respect to the prior calendar year may not exceed \$68,500, and the amount of the Base Management Fee with respect to such calendar year in excess of such maximum is a "Deferred Management Fee." In the event (1) the term of the Management Agreement is terminated effective on or before December 31, 2027, and (2) such termination is by reason of a Termination With Cause by Manager or is by reason of a Termination Without Cause by the Corporation, all Deferred Management Fees will be payable within 30 days of the effective date of such termination.

As compensation for services rendered pursuant to the Initial Management Agreement and the 2020 Management Agreement, the Manager earned management fees of approximately \$588,000 and \$522,000 in fiscal year 2020 and 2019, respectively. Of the fees earned under the Initial Management Agreement, approximately \$400,000 and \$400,000 at December 31, 2020 and 2019, respectively, are subordinate to the outstanding bonds and will be deferred until certain parameters are met.

The Corporation entered into a marketing consulting services agreement with RLA. Pursuant to the terms of the marketing consulting services agreement, RLA provided certain services to the Corporation including coordinating and managing the marketing staff of the Community, develop and supervise the implementation of a marketing and sales plan, assist the Corporation in training and monitoring of the Community's marketing and sales staff, provide and coordinate administrative support in the managing of admission criteria for residents to the Community, provide and coordinate administrative support for the Community's processing of applications including maintaining appropriate records, and attending resident presentations, meetings, and marketing events as RLA shall determine are needed and as reasonably requested by the Corporation. As compensation for the services provided under the marketing consulting services agreement, the Corporation agreed to pay RLA a fee of \$700,000 and reimburse RLA for certain expenses. The fee is subordinate to the outstanding bonds and is deferred until the Community meets certain occupancy parameters. This fee was considered to be earned as of December 31, 2015. RLA has performed all services to be performed by it pursuant to the marketing consulting services agreement, and no additional fees will be earned by RLA pursuant to the marketing consulting services agreement.

Sears Farm, SHKW, and the Sears Family

Sears Farm was the owner of the entire approximately 75-acre Searstone Planned Development District, which includes the 24-acre site on which Phase I of the Community is located. In June 2012 Sears Farm sold to the Corporation that 24-acre site in the amount of \$11,570,000.

In June 2012, at the time of the closing of the Series 2012 Bonds that financed the acquisition by the Corporation of the 24-acre site on which Phase I of the Community is located, as a condition to the purchase of the Series 2012 Bonds by the bond buyers, Sears Farm transferred to the Corporation the approximate sum of \$779,000, to serve as additional construction contingency funds for the initial construction of the Community, to be repaid to the extent that upon completion of construction there remained construction contingency funds. At December 31, 2013, these funds were recorded on the balance sheets as due to a related party. Upon completion of construction of the Community there remained no construction contingency funds, and at December 31, 2014 these funds were removed as due to a related party and were recorded as a capital contribution.

In June 2012, at the time of the closing of the Series 2012 Bonds that financed the acquisition by the Corporation from Sears Farm of the 23.98-acre site on which Phase I of the Community is located, Sears Farm transferred to the Corporation the sum of \$950,000, as a contribution to the Liquidity Support Fund. Also, in June 2012, Mr. Sears' parents transferred to the Corporation \$1,000,000, as a contribution to the Liquidity Support Fund. In 2019 the liquidity support deposits were either returned by the Corporation to the contributors or credited against obligations owed to the Corporation by the contributors. See Note 7.

In March 2014 the Corporation loaned to Sears Farm the sum of \$500,000, from the balance within the Liquidity Support Fund, with the understanding that the loan proceeds would be used by Sears Farm to pay for the cost of construction of a parking lot located on land owned by Sears Farm, to be used by Community residents. The unpaid principal balance of the loan was to bear interest at 6% per annum. The principal amount of the loan was to be discharged in full in the event certain conditions were satisfied, including the release of the Liquidity Support Fund. Accrued interest on the loan totaled approximately \$145,000 at December 31, 2018. In 2019, pursuant to the Settlement Agreements, and in recognition that Liquidity Support Fund had been released, the Corporation released Sears Farm from any obligation to repay the principal amount of or interest on the loan.

In June 2012, at the time of the closing of the Series 2012 Bonds that financed the acquisition by the Corporation of the 24-acre site on which Phase I of the Community is located, Sears Farm agreed to defer fees payable by the Corporation and related to rezoning and construction in the amount of \$993,000. Also, in June 2012, at the time of the closing of the Series 2012 Bonds that financed the acquisition by the Corporation of the 24-acre site on which the Community is located, SHKW agreed to defer fees payable by the Corporation and related to architectural services in the amount of \$711,000. For additional detail, see Note 8.

Sears Farm held subordinated debt due from the Corporation in the approximate sums of \$5,615,000 and \$5,471,000 at December 31, 2020 and 2019, respectively. For additional detail, see Note 8.

SHKW did not provide to the Corporation any architectural and management services during the years ended December 31, 2020 and 2019.

11. Fair Value Measurements on a Recurring Basis

Fair value, as defined under U.S. GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Corporation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Assets Measured at Fair Value on a Recurring Basis

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include money market funds, mutual funds, common stocks, exchange-traded funds and U.S. Treasury/Agency securities which are valued based on prices readily available in the active markets in which those securities are traded, and money market funds which are based on their transacted value. Level 2 investments include corporate bonds which are valued on a recurring basis on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets.

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The Corporation does not have any financial assets or liabilities measured on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 for year ended December 31, 2020 and 2019.

The tables below present the balances of assets measured at fair value on a recurring basis.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 12,610,868	\$ -	\$ -	\$ 12,610,868
Common stocks	1,742,120	-	-	1,742,120
Corporate bonds	-	1,511,876	-	1,511,876
US Treasury/Agency securities	600,933	-	-	600,933
Mutual funds – fixed income	823,072	-	-	823,072
Mutual funds – equities	372,718	-	-	372,718
Exchange-traded funds	24,475	-	-	24,475
Total	<u>\$ 16,174,186</u>	<u>\$ 1,511,876</u>	<u>\$ -</u>	<u>\$ 17,686,062</u>

The Corporation had \$15,065 of accrued interest and \$5,928,517 in cash included within investments and assets limited as to use which are not included in the fair value hierarchy.

Marketable equity securities have a market value of \$5,075,194 with a cost of \$4,724,257 in 2020. This resulted in a net unrealized gain on marketable equity securities of \$350,937.

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 10,014,183	\$ -	\$ -	\$ 10,014,183
Common stocks	1,577,976	-	-	1,577,976
Corporate bonds	-	1,224,700	-	1,224,700
US Treasury/Agency securities	737,640	-	-	737,640
Mutual funds – fixed income	747,854	-	-	747,854
Mutual funds – equities	287,969	-	-	287,969
Exchange-traded funds	19,575	-	-	19,575
Total	<u>\$ 13,385,197</u>	<u>\$ 1,224,700</u>	<u>\$ -</u>	<u>\$ 14,609,897</u>

The Corporation had \$13,384 of accrued interest and \$519,868 in cash included within investments and assets limited as to use which are not included in the fair value hierarchy.

Marketable equity securities have a market value of \$2,633,374 with a cost of \$2,326,724 in 2019. This resulted in a net unrealized gain on marketable equity securities of \$306,650.

12. Net Assets with Donor Restrictions

Net assets with donor restrictions that are temporary in nature consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assistance	<u>\$ 156,614</u>	<u>\$ 103,096</u>

13. Liquidity and Availability

As part of its liquidity management, the Corporation has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Corporation invests cash in excess of daily operating funds in short-term investments such as stocks, bonds, money market funds, and mutual funds.

The following schedule reflects the Corporation's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months. Board designated amounts for projects have been included in the schedule below as the board could release these funds for liquidity purposes if needed.

The Corporation seeks to maintain sufficient liquid assets to cover three months' operating and capital expenses.

<u>Asset Categories</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,511,044	\$ 704,651
Accounts receivable	11,075	31,098
Sales tax receivable	36,814	37,931
Investments and assets limited as to use	23,629,644	15,143,149
Less: Held by trustee	(12,575,066)	(9,980,716)
Less: Reserves required by state statute	(2,748,126)	(2,707,914)
Less: Resident deposits	(5,846,395)	(428,822)
Less: Other	(11,592)	(20,472)
	<u>\$ 5,007,398</u>	<u>\$ 2,778,905</u>

14. Schedule of Expenses by Natural Classification and Function

The following is a schedule of expenses by both natural classification and function for the years ended December 31, 2020 and 2019:

	2020				Administrative and General	Marketing	Total
	Independent	Assisted Living	Skilled Nursing	Total			
General and administrative	\$ -	\$ -	\$ -	\$ -	\$ 901,803	\$ 130,923	\$ 1,032,726
Marketing and advertising	-	-	-	-	-	452,720	452,720
Payroll and related expense	55,781	517,781	975,761	1,549,323	3,325,177	340,822	5,215,322
Utilities and facilities	79,432	16,194	16,194	111,820	1,294,521	1,163	1,407,504
Operating and maintenance	850	64,861	53,098	118,809	1,529,713	8,724	1,657,246
Taxes and insurance	-	-	-	-	242,521	-	242,521
Interest expense	-	-	-	-	4,798,726	-	4,798,726
Depreciation	2,688,375	183,298	183,298	3,054,971	-	-	3,054,971
Amortization	-	-	-	-	162,996	-	162,996
Total expenses	<u>\$ 2,824,438</u>	<u>\$ 782,134</u>	<u>\$ 1,228,351</u>	<u>\$ 4,834,923</u>	<u>\$ 12,255,457</u>	<u>\$ 934,352</u>	<u>\$ 18,024,732</u>

	2019				Administrative and General	Marketing	Total
	Independent	Assisted Living	Skilled Nursing	Total			
General and administrative	\$ -	\$ -	\$ -	\$ -	\$ 806,347	\$ 129,564	\$ 935,911
Marketing and advertising	-	-	-	-	-	507,815	507,815
Payroll and related expense	59,472	552,381	1,043,105	1,654,958	3,098,050	239,505	4,992,513
Utilities and facilities	88,792	16,291	208,436	313,519	1,329,982	647	1,644,148
Operating and maintenance	1,876	83,514	34,941	120,331	1,514,455	17,485	1,652,271
Taxes and insurance	-	-	-	-	198,853	-	198,853
Interest expense	-	-	-	-	4,584,983	-	4,584,983
Depreciation	2,714,411	185,073	185,074	3,084,558	-	-	3,084,558
Amortization	-	-	-	-	153,275	-	153,275
Total expenses	<u>\$ 2,864,551</u>	<u>\$ 837,259</u>	<u>\$ 1,471,556</u>	<u>\$ 5,173,366</u>	<u>\$ 11,685,945</u>	<u>\$ 895,016</u>	<u>\$ 17,754,327</u>

APPENDIX C

FINANCIAL FEASIBILITY STUDY

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**Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community**

Financial Feasibility Study

**For each of the Six Years Ending
December 31, 2026**

Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community

Financial Feasibility Study

Six Years Ending December 31, 2026

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INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

Board of Directors
Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community
Cary, North Carolina

We have prepared a financial feasibility study of the plans of Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community (the "Corporation") to complete a second phase expansion project (the "Project") at its continuing care retirement community in Cary, North Carolina, currently known as Searstone Retirement Community ("Searstone" or the "Community").

Management of the Corporation and Searstone - RLA, Inc. (collectively, "Management") are planning the Project to include the construction of 152 additional independent living apartment units (the "New Independent Living Units"), 15 additional assisted living units, 14 memory care assisted living units and 24 additional skilled nursing beds. The Corporation has retained Greenbrier Development, LLC (the "Development Consultant") to assist in the planning and development of the Project.

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 issuance of \$178,715,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project), Series 2021 (the "Series 2021 Bonds"), \$8,920,000 Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A Forward Delivery (the "Series 2022 Bonds"), and \$75,995,000 Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A Forward Delivery (the "Series 2023 Bonds").

As provided by the Corporation's underwriter, Herbert J. Sims & Company, Inc. (the "Underwriter"), the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 Bonds are assumed to be unrated tax-exempt and taxable fixed rate revenue bonds, consisting of term maturities to 2056, with assumed coupon rates ranging between 2.5 percent and 5.0 percent per annum.

Proceeds from the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 Bonds are assumed to be used as follows:

- To pay for costs of the Project, including development, construction and marketing costs;
- To pay for costs relating to modifying, improving, and enhancing certain infrastructure serving the Community;
- To refund existing debt of the Corporation;
- To fund debt service reserve funds for the Series 2021 Bonds;
- To fund interest on the Series 2021 Bonds for a period of approximately 30 months; and
- To pay costs associated with the issuance of the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 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 Community, including 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 six-year period ending December 31, 2026 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 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 judgment, 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, while there are impacts to the Corporation for the year ending December 31, 2021, 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, the Series 2022 Bonds, and the Series 2023 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, Series 2022 Bonds, and the Series 2023 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
September 29, 2021

SAMARITAN HOUSING FOUNDATION, INC. D/B/A SEARSTONE RETIREMENT COMMUNITY

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

	2021	2022	2023	2024	2025	2026
Revenues:						
Service Fees:						
Independent living	\$ 9,664	\$ 10,154	\$ 10,410	\$ 15,884	\$ 21,299	\$ 22,873
Assisted living	558	622	675	962	1,478	1,977
Skilled nursing	1,120	1,287	1,425	1,785	2,302	2,796
Other revenues	946	964	977	1,222	1,485	1,589
Amortization of advance fees	1,219	1,262	1,423	1,862	2,240	2,343
Investment income	360	371	456	1,271	1,267	1,006
Total Revenues	13,867	14,660	15,366	22,986	30,071	32,584
Expenses:						
General and administrative expenses	1,249	1,125	1,188	1,639	1,938	2,060
Marketing and advertising expenses	2,343	1,783	1,213	545	561	578
Payroll and related expenses	4,834	5,425	6,363	8,716	9,056	10,093
Utilities and facilities expenses	1,592	1,640	1,839	2,691	2,795	2,884
Operating and maintenance expenses	1,510	1,554	1,681	2,785	3,330	3,596
Taxes and insurance	288	297	330	464	478	492
Total Operating Expenses	11,816	11,824	12,614	16,840	18,158	19,703
Interest Expense	4,891	5,369	6,174	11,303	9,751	9,273
Depreciation	3,605	3,739	4,587	8,183	8,363	8,550
Amortization-deferred marketing costs	48	48	48	2	-	-
Total Expenses	20,360	20,980	23,423	36,328	36,272	37,526
Net operating losses	(6,493)	(6,320)	(8,057)	(13,342)	(6,201)	(4,942)
Paycheck Protection Program Loan forgiveness	758	-	-	-	-	-
Loss on extinguishment of Existing Bonds:						
Redemption premium on the Series 2016 Bonds and Series 2017 Bonds	-	(320)	(2,905)	-	-	-
Unamortized original issue discount	(288)	(456)	(997)	-	-	-
Unamortized deferred financing costs	(377)	(486)	(990)	-	-	-
Change in net deficit	(6,400)	(7,582)	(12,949)	(13,342)	(6,201)	(4,942)
Net deficit, beginning of year	(75,891)	(82,291)	(89,873)	(102,822)	(116,164)	(122,365)
Net deficit, end of year	\$ (82,291)	\$ (89,873)	\$ (102,822)	\$ (116,164)	\$ (122,365)	\$ (127,307)

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

**SAMARITAN HOUSING FOUNDATION, INC. D/B/A SEARSTONE RETIREMENT
COMMUNITY**

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

	2021	2022	2023	2024	2025	2026
Operating activities:						
Change in net deficit	\$ (6,400)	\$ (7,582)	\$ (12,949)	\$ (13,342)	\$ (6,201)	\$ (4,942)
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Loss on extinguishment of Existing Bonds	665	1,262	4,892	-	-	-
Proceeds from nonrefundable advance fees-initial	-	-	2,607	6,254	1,158	217
Proceeds from nonrefundable advance fees-turnover	901	947	994	1,209	1,539	1,786
Depreciation	3,605	3,739	4,587	8,183	8,363	8,550
Amortization of deferred marketing costs	48	48	48	2	-	-
Amortization of original issue discount/premium	57	85	(39)	(58)	(58)	(58)
Amortization of deferred financing costs	78	302	349	363	363	363
Amortization of advance fees	(1,219)	(1,262)	(1,423)	(1,862)	(2,240)	(2,343)
Net change in:						
Accounts receivable	(73)	(5)	(3)	(44)	(46)	(18)
Prepaid expenses	140	(1)	(10)	(58)	(18)	(21)
Accounts payable	(72)	-	18	98	30	36
Accrued interest payable	635	(386)	162	29	(41)	(6)
Deferred Management Fees	-	-	-	22	-	-
Net cash provided by (used in) operating activities	(1,635)	(2,853)	(767)	796	2,849	3,564
Investing activities:						
Purchase of property and equipment - Project	(9,180)	(85,510)	(49,841)	-	-	-
Capitalized interest	(1,534)	(6,434)	(5,218)	-	-	-
Routine capital additions	(561)	(562)	(470)	(621)	(656)	(700)
(Increase) decrease in unrestricted assets limited to use	32	110	2,686	(1,734)	(7,724)	4,334
Purchase (sale) of investments	(27)	(220)	(5,385)	1,946	(2,562)	(23,087)
Net cash used by investing activities	(11,270)	(92,616)	(58,228)	(409)	(10,942)	(19,453)
Financing activities:						
Proceeds from Series 2021A Bonds	104,850	-	-	-	-	-
Proceeds from Series 2021B Bonds	68,550	-	-	-	-	-
Proceeds from Series 2021C Bonds	5,315	-	-	-	-	-
Proceeds from Series 2022 Bonds	-	8,920	-	-	-	-
Proceeds from Series 2023 Bonds	-	-	75,995	-	-	-
Original issue discount	(663)	(358)	-	-	-	-
Original issue premium	-	-	1,966	-	-	-
Deferred financing costs	(4,337)	(173)	(1,564)	-	-	-
Redemption premium on the Series 2016 Bonds and Series 2017 Bonds	-	(320)	(2,905)	-	-	-
Payment on Purchase Money Note	(2,000)	-	-	-	-	-
Paycheck Protection Program Loan forgiveness	(758)	-	-	-	-	-
Payment of Series 2016 Bonds	-	(8,000)	-	-	-	-
Payment of Series 2017A Bonds	(65)	(75)	(71,525)	-	-	-
Payment of Series 2017B Bonds	(1,050)	(1,090)	(2,320)	-	-	-
Payment of Series 2020 Bonds	(6,600)	-	-	-	-	-
Payment of Series 2022 Bonds	-	-	(25)	(25)	(25)	(25)
Payment of Series 2021B Bonds	-	-	-	(22,890)	(45,660)	-
Payment of Series 2021C Bonds	-	-	-	(5,315)	-	-
Payment of Series 2023 Bonds	-	-	-	(1,320)	(1,385)	(1,460)
Change in resident deposits	1,325	1,119	(570)	(6,063)	(1,169)	(227)
Change in Subordinate Obligations	575	575	575	575	575	575
Refundable entrance fees received-initial	-	-	21,476	53,924	10,019	1,898
Refundable entrance fees received-turnover	8,109	8,527	8,931	10,638	13,184	15,126
Entrance fee refunds	(5,927)	(6,080)	(6,826)	(8,684)	(9,968)	(10,670)
Net cash provided by financing activities	167,324	3,045	23,208	20,840	(34,429)	5,217
Net change in cash, cash equivalents, and restricted cash	\$ 154,419	\$ (92,424)	\$ (35,787)	\$ 21,227	\$ (42,522)	\$ (10,672)
Cash, cash equivalents, and restricted cash, beginning of year	20,945	175,364	82,940	47,153	68,380	25,858
Cash, cash equivalents, and restricted cash, end of year	\$ 175,364	\$ 82,940	\$ 47,153	\$ 68,380	\$ 25,858	\$ 15,186

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

**SAMARITAN HOUSING FOUNDATION, INC. D/B/A SEARSTONE RETIREMENT
COMMUNITY**

Forecasted Balance Sheets
For the Years Ending December 31,
(In Thousands)

	2021	2022	2023	2024	2025	2026
Assets						
Current assets:						
Cash and cash equivalents	971	972	1,037	1,384	1,492	1,619
Assets limited as to use, current portion	931	967	1,017	1,302	1,424	2,165
Accounts receivable	84	89	92	136	182	200
Sales tax receivable	37	37	37	37	37	37
Prepaid expenses	160	161	171	229	247	268
Total current assets	2,183	2,226	2,354	3,088	3,382	4,289
Investments	2,395	2,615	8,000	6,054	8,616	31,703
Assets limited as to use:						
Resident Deposits	343	343	343	343	343	343
Resident Deposits - Project	6,910	8,029	7,459	1,396	227	-
Project Fund - Series 2021 Bonds	135,715	48,935	-	-	-	-
Funded Interest Fund - Series 2021 Bonds	15,655	8,871	2,609	-	-	-
Entrance Fee Fund	-	-	6,597	38,570	6,327	-
Working Capital Fund	-	-	7,692	4,986	4,986	-
Debt Service Reserve Fund - Series 2016 Bonds	480	-	-	-	-	-
Parity Debt Service Reserve Fund	10,617	11,081	11,059	11,059	11,059	11,059
Debt Service Reserve Fund - Series 2021B/C Bonds	2,240	2,240	2,240	2,240	-	-
Statutory Operating Reserve Fund - Trustee Held	-	-	7,100	7,100	-	-
Statutory Operating Reserve Fund	2,796	2,686	-	1,734	9,458	5,124
Interest Reserve	1,502	1,502	-	-	-	-
Bond Fund	931	967	1,017	1,302	1,424	2,165
Total assets limited as to use	177,189	84,654	46,116	68,730	33,824	18,691
Less: current portion	(931)	(967)	(1,017)	(1,302)	(1,424)	(2,165)
Assets limited as to use, less current portion	176,258	83,687	45,099	67,428	32,400	16,526
Other receivables	570	570	570	570	570	570
Property and equipment, net	116,062	204,829	255,771	248,209	240,502	232,652
Deferred marketing costs, net	98	50	2	-	-	-
Total non-current assets	292,988	289,136	301,442	316,207	273,472	249,748
Total assets	\$ 297,566	\$ 293,977	\$ 311,796	\$ 325,349	\$ 285,470	\$ 285,740

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

**SAMARITAN HOUSING FOUNDATION, INC. D/B/A SEARSTONE RETIREMENT
COMMUNITY**

Forecasted Balance Sheets (continued)
For the Years Ending December 31,
(In Thousands)

	2021	2022	2023	2024	2025	2026
Liabilities and Net Deficit						
Current liabilities:						
Accounts payable	\$ 273	\$ 273	\$ 291	\$ 389	\$ 419	\$ 455
Accrued interest payable	1,024	638	800	829	788	782
Resident deposits	756	756	756	756	756	756
Resident deposits - Project	6,910	8,029	7,459	1,396	227	-
Current portion of long-term debt	1,165	1,235	29,550	47,070	1,485	2,985
Other liabilities	156	156	156	156	156	156
Total current liabilities	10,284	11,087	39,012	50,596	3,831	5,134
Long-term liabilities:						
Deferred Management Fees	-	-	-	22	22	22
Subordinate Obligations	17,904	18,479	19,054	19,629	20,204	20,779
Long-term debt, less current portion - Series 2016 Bonds	8,000	-	-	-	-	-
Long-term debt, less current portion - Series 2017A Bonds	71,525	71,450	-	-	-	-
Long-term debt, less current portion - Series 2017B Bonds	2,320	1,185	-	-	-	-
Long-term debt, less current portion - Series 2021A Bonds	104,850	104,850	104,850	104,850	104,850	103,420
Long-term debt, less current portion - Series 2021B Bonds	68,550	68,550	45,660	-	-	-
Long-term debt, less current portion - Series 2021C Bonds	5,315	5,315	-	-	-	-
Long-term debt, less current portion - Series 2022 Bonds	-	8,895	8,870	8,845	8,820	8,795
Long-term debt, less current portion - Series 2023 Bonds	-	-	74,675	73,290	71,830	70,300
Deferred financing costs	(5,795)	(5,180)	(5,405)	(5,042)	(4,679)	(4,316)
Long-term debt payable, net	272,669	273,544	247,704	201,594	201,047	199,000
Original issue discount	(2,143)	(1,960)	(909)	(855)	(801)	(747)
Original issue premium	-	-	1,873	1,761	1,649	1,537
Refundable entrance fees	90,799	93,246	116,826	172,704	185,939	192,293
Deferred revenue from advance fees	8,248	7,933	10,112	15,713	16,170	15,830
Total long-term liabilities	369,573	372,763	375,606	390,917	404,004	407,913
Total liabilities	379,857	383,850	414,618	441,513	407,835	413,047
Net deficit						
Without donor restrictions	(82,448)	(90,030)	(102,979)	(116,321)	(122,522)	(127,464)
With donor restrictions	157	157	157	157	157	157
Net deficit	(82,291)	(89,873)	(102,822)	(116,164)	(122,365)	(127,307)
Total liabilities and net deficit	\$ 297,566	\$ 293,977	\$ 311,796	\$ 325,349	\$ 285,470	\$ 285,740

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

SAMARITAN HOUSING FOUNDATION, INC. D/B/A SEARSTONE RETIREMENT COMMUNITY

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

Debt Service Coverage Ratio	2021	2022	2023	2024	2025	2026
Change in net deficit	\$ (6,400)	\$ (7,582)	\$ (12,949)	\$ (13,342)	\$ (6,201)	\$ (4,942)
Deduct:						
Advance fee amortization	(1,219)	(1,262)	(1,423)	(1,862)	(2,240)	(2,343)
Unrealized gains/losses	(100)	(103)	(106)	(109)	(113)	(116)
Add:						
Depreciation	3,605	3,739	4,587	8,183	8,363	8,550
Amortization	48	48	48	2	-	-
Interest expense ^(a)	4,891	5,369	6,174	11,303	9,751	9,273
Loss on extinguishment of Existing Bonds	665	1,262	4,892	-	-	-
Funded marketing costs	1,844	1,270	684	-	-	-
Entrance fees received from resident turnover	9,010	9,474	9,925	11,847	14,723	16,912
Entrance fees refunded	(5,927)	(6,080)	(6,826)	(8,684)	(9,968)	(10,670)
Working Capital Fund release for operations	-	-	1,104	2,706	-	-
Deferred Management Fees	-	-	-	22	-	-
Income Available for Debt Service	\$ 6,417	\$ 6,135	\$ 6,110	\$ 10,066	\$ 14,315	\$ 16,664
Maximum Annual Debt Service ^(b)	\$ 5,504	\$ 5,404	\$ 5,468	\$ 5,468	\$ 5,468	\$ 11,060
Debt Service Coverage Ratio	1.17x	1.14x	1.12x	1.84x	2.62x	1.51x

Days Cash on Hand	2021	2022	2023	2024	2025	2026
Cash and cash equivalents	\$ 971	\$ 972	\$ 1,037	\$ 1,384	\$ 1,492	\$ 1,619
Investments	2,395	2,615	8,000	6,054	8,616	31,703
Statutory Operating Reserve Fund - Trustee Held	-	-	7,100	7,100	-	-
Working Capital Fund	-	-	7,692	4,986	4,986	-
Statutory Operating Reserve Fund	2,796	2,686	-	1,734	9,458	5,124
Interest Reserve	1,502	1,502	-	-	-	-
Cash on hand	\$ 7,664	\$ 7,775	\$ 23,829	\$ 21,258	\$ 24,552	\$ 38,446
Total expenses	\$ 20,360	\$ 20,980	\$ 23,423	\$ 36,328	\$ 36,272	\$ 37,526
Less:						
Depreciation	(3,605)	(3,739)	(4,587)	(8,183)	(8,363)	(8,550)
Amortization of deferred marketing costs	(48)	(48)	(48)	(2)	-	-
Deferred Management Fees	-	-	-	(22)	-	-
Total expenses less depreciation, amortization and deferred management fees	16,707	17,193	18,788	28,121	27,909	28,976
Daily operating expenses ^(c)	46	47	51	77	76	79
Days cash on hand	167	165	463	276	321	484

(a) Interest expense includes amortization of deferred financing fees and original issue discount and premium.

(b) The Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year, calculated pursuant to the provisions in the Master Indenture.

(c) Daily operating expenses are equal to total operating expenses less depreciation and amortization divided by 365 days.

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

Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community

Summary of Significant Forecast Assumptions and Rationale

Basis of Presentation

The accompanying financial forecast presents, to the best of the knowledge and belief of management of Samaritan Housing Foundation, Inc. (the “Corporation”) and Searstone - RLA, Inc. (the “Manager” and collectively with the Corporation, “Management”), the expected financial position, results of operations, and cash flows of the Corporation as of and for each of the six years ending December 31, 2026. Accordingly, the accompanying financial forecast reflects Management’s judgment as of September 29, 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 of the Corporation

The Corporation was incorporated in 1999 as a not-for-profit corporation under the laws of Georgia and is qualified to do business in North Carolina. The Corporation was formed to acquire real property and to develop, market and operate the property as a continuing care retirement community in Cary, North Carolina, currently known as Searstone Retirement Community (“Searstone” or, the “Community”).

The Corporation is governed by a nine-member Board of Directors (the “Directors”). None of the Directors have an ownership interest or an equitable or beneficial interest in the Corporation or its assets. Directors serve one-year terms, with no limit on the number of terms that may be served and are elected annually by the then Directors at its annual meeting.

Description of the Community

Searstone is located in Cary, North Carolina on approximately 41 acres near High House Road at Davis Drive. The first residential units were available for occupancy in November 2013. The Community is open to people age 62 and older, and currently consists of 131 apartments (the “Existing Independent Living Apartments”), 38 estate homes (the “Existing Independent Living Homes” and collectively with the Existing Independent Living Apartments, the “Existing Independent Living Units”), 14 assisted living units (the “Existing Assisted Living Units”) and a nursing facility which includes 25 skilled nursing beds (the “Existing Skilled Nursing Beds”). The adult care home and skilled nursing accommodations are provided in the health center called “Brittany Place.” The Community also features common areas including multiple dining options, clubhouse, a spa/wellness center with an indoor pool, a library/business center, an arts and crafts studio, living areas, a club room, gardens, walking trails, and other spaces.

The following table summarizes the types of units, approximate square footage, monthly fees (“Monthly Fees”) and entrance fees (“Entrance Fees”) for the Existing Independent Living Units.

Table 1 Existing Independent Living Unit Configuration				
Unit Configuration	Number of Units	Square Footage	Entrance Fee ⁽¹⁾⁽²⁾	Monthly Fee ⁽¹⁾⁽³⁾
Apartments				
<i>One Bedroom, with One Bath</i>				
Asturian	14	931 – 1,097	\$462,000 – 477,000	\$3,410 – 3,640
Breton	4	1,039	\$445,000	\$3,600
Galacian	6	1,165	\$462,000	\$4,210
<i>One Bedroom, with One & ½ Bath</i>				
Finnhorse	4	1,280	\$487,000	\$4,330
Belgian	4	1,194 – 1,356	\$497,000 – 514,000	\$4,210 – 4,430
Clydesdale	2	1,370	\$519,000	\$4,430
Danube	5	1,402	\$519,000	\$4,430
<i>Two Bedroom, Two Bath</i>				
Buckskin	22	1,204 – 1,415	\$503,000 – 567,000	\$4,210 – 4,440
Buckskin Terrace	2	1,750 – 1,760	\$639,000	\$6,140
Hackney	5	1,478 – 1,500	\$562,000 – 572,000	\$5,460 – 5,470
Shetland	8	1,562	\$628,000	\$5,650
Dartmoor	13	1,765 – 1,793	\$650,000 – 667,000	\$6,140
Highland	8	1,866 – 1,924	\$677,000 – 682,000	\$6,230
<i>Two Bedroom, Two Bath, Den</i>				
Haflinger	5	1,578 – 1,636	\$593,000 – 598,000	\$5,650 – 5,680
Campolina	4	2,000	\$793,000	\$6,380
Highland II	8	1,945 – 2,006	\$687,000 – 708,000	\$6,260 – 6,430
Caspian	2	1,811 – 2,092	\$793,000 – 795,000	\$6,180 – 6,430
Pegasus	8	1,853	\$676,000	\$6,200
Appaloosa	1	2,085	\$734,000	\$6,430
Estonian	6	2,238 – 2,294	\$782,000	\$6,780
Total/Weighted Average-Apts	131	1,535	\$591,817	\$5,171
Cottages				
<i>Two Bedroom, Two Bath</i>				
Jutland	10	1,766 – 1,926	\$628,000 – 681,000	\$6,140 – 6,260
Murgese	10	1,902	\$772,000	\$6,230
Lipizzan	2	2,082	\$761,000 – 772,000	\$6,430
Selle	2	1,991	\$861,000	\$6,370
Nordland	2	2,406	\$866,000	\$7,000
Morgan	2	1,999	\$748,000	\$6,370
Shire	2	2,394	\$918,000	\$7,000
Percheron	2	2,558	\$866,000	\$7,110
Murgese III	6	3,914	\$950,000	\$7,500 – 7,640
Total/Weighted Average-Homes	38	2,315	\$791,289	\$6,597
TOTAL/AVERAGES	169	1,710	\$636,669	\$5,491
Second person fees				\$1,530

Source: Management

See Independent Accountants’ Examination Report

Notes to the Table:

- (1) The Entrance Fee and Monthly Fee pricing is effective as of January 1, 2021.
- (2) Management initially offered two Entrance Fee plans: a lifecare plan ("Type A Plan") and a fee for service plan ("Type C Plan"). Pricing for the Type A Plan, shown in the table above, is the only plan currently offered to new residents and includes a non-refundable \$67,000 life care fee (the "Life Care Fee"). Second persons would also pay the Life Care Fee for the Type A plan.
- (3) Management offers two resident service packages: The "Gold Package" and the "Platinum Package."
 - a. The Monthly Fees shown in the table above reflect the Gold Package. The Gold Package provides for a \$226 meal credit per person per month and monthly housekeeping.
 - b. The Monthly Fees for the Platinum Package are an additional \$320 per month for one resident (plus an additional \$210 for a second person) (the "Platinum Monthly Fee") and provides for a \$452 meal credit per person per month and weekly housekeeping.

The Healthcare Center

Admittance to the Existing Assisted Living Units and the Existing Skilled Nursing Beds (collectively, the "Existing Healthcare Center") is restricted to those residents who have signed a Residency Agreement (hereinafter defined) and are transferring from an Existing Independent Living Unit.

The following table summarizes the type, number, approximate square footage, and the Monthly Fees and daily fees (the "Daily Fees") for the Existing Healthcare Center:

Table 2				
Existing Healthcare Center Configuration				
	Number of Units	Square Footage	Entrance Fee	Monthly/Daily Fee ⁽¹⁾⁽²⁾⁽³⁾
Existing Assisted Living Units	14	527	Not applicable	\$7,071
Existing Skilled Nursing Beds	25	291	Not applicable	\$435 / day
Total	39			

Source: Management

- (1) Pricing is effective as of January 1, 2021.
- (2) Monthly and Daily Fees reflects the Gold Package for the Type C Plan.
- (3) Residents who have selected the Type A Plan and are temporarily or permanently transferred to the Existing Healthcare Center will continue to pay their Independent Living Unit Monthly Fee. Under the Platinum Package, Residents receive three meals per day for an additional \$939 per month. Under the Gold Package, Residents will receive 15 meal credits per month and pay an additional \$750 per month for 75 meals. Residents who selected the Type C Plan and are temporarily or permanently transferred to the Healthcare Center would pay the then current Monthly Fee for assisted living or Daily Fee for nursing care services which includes three meals per day.

Description of the Project

Management engaged Greenbrier Development, LLC (the "Development Consultant") to assist in the development and construction of a second phase expansion to the Community to be known as "The Highview at Searstone" (the "Project"), which is expected to include the construction of 152 additional independent living apartment units (the "New Independent Living Units"), 15 additional assisted living units (the "New Assisted Living Units"), 14 memory care assisted living units (the "New Memory Care Units") and 24 additional skilled nursing beds (the "New Skilled Nursing Beds"). In addition, the Project is planned to include multiple new dining venues, a multipurpose

area with capacity for up to 350 people, an underground parking garage, new green spaces and landscaping improvements and renovations to the current clubhouse to repurpose the common areas.

The following table summarizes the unit types, approximate square footage, Entrance Fees and Monthly Fees for the New Independent Living Units.

Table 3				
New Independent Living Unit Configuration				
Unit Configuration	Number of Units	Square Footage	Entrance Fee⁽¹⁾⁽²⁾⁽³⁾	Monthly Fee⁽¹⁾
<i>One Bedroom</i>				
Meredith	1	937	\$463,900	\$3,595
Shaw	4	1,032	\$506,900	\$3,795
Freelon	5	1,067	\$521,300	\$3,995
Finley	16	1,148	\$555,400	\$4,195
Merritt	4	1,187	\$586,900	\$4,395
Frazier	1	1,235	\$588,900	\$4,495
Murray	4	1,248	\$594,900	\$4,595
McFadden	3	1,260	\$603,900	\$4,595
Burke	4	1,304	\$620,900	\$4,695
<i>Two Bedroom</i>				
Franklin	14	1,339	\$651,186	\$4,895
Madison	4	1,398	\$682,900	\$4,995
Demille	8	1,411	\$675,900	\$5,095
Taylor	7	1,419	\$664,900	\$5,095
Alston	4	1,487	\$697,900	\$5,395
Gardner	16	1,522	\$713,963	\$5,395
Simone	6	1,522	\$713,567	\$5,495
Brinkley	8	1,561	\$722,150	\$5,595
Miller	1	1,656	\$750,900	\$5,795
Walter	6	1,641	\$763,567	\$5,795
Valvano	4	1,651	\$768,650	\$5,895
Ogle	1	1,663	\$768,900	\$5,895
Wolfe	12	1,681	\$848,233	\$5,895
Timberlake	4	1,714	\$860,400	\$5,995
Bennett	4	1,743	\$808,900	\$5,995
Page	4	1,761	\$871,900	\$6,195
Coltrane	3	1,794	\$827,567	\$6,195
Yates	4	1,943	\$933,400	\$6,595
TOTAL/AVERAGES	152	1,449	\$694,176	\$5,184
Second Person Fees				\$1,550

Source: Management and the Development Consultant

Notes to the Table:

- (1) Entrance Fees and Monthly Fees shown are in 2023 dollars. Entrance fees shown are for the 100 percent refundable Type A plan, which includes a non-refundable \$70,000 life care fee. Second persons would pay the non-refundable \$70,000 life care fee if a Type A plan is chosen. Entrance Fee pricing is assumed to increase by an average of 8.6 percent at the start of construction of the Project. Monthly Fee pricing is assumed to increase by an average of 5.5 percent at the start of construction of the Project.
- (2) In addition to the 100 percent refundable Type A plan shown above, Management also offers a 50 percent refundable and zero percent refundable Type A plan with entrance fees approximately 25 percent and 40 percent lower, respectively, than the 100 percent refundable Type A plan.
- (3) In addition to the Type A plans, Management also offers a 90 percent refundable Type C plan. The entrance fees for the Type C plan are expected to range from \$394,000 to \$550,000 for one-bedroom apartments and \$581,000 to \$863,000 for two-bedroom apartments.

The Existing Independent Living Units and the New Independent Living Units are collectively referred to as the “Independent Living Units”.

The New Healthcare Center

The following table summarizes the type, number, approximate square footage, the Monthly Fees for the New Assisted Living Units and New Memory Care Units, and the Daily Fees for the New Skilled Nursing Beds (collectively, the “New Healthcare Center”):

Table 4				
New Healthcare Center Configuration				
	Number of Units	Square Footage	Entrance Fee	Monthly/Daily Fee⁽¹⁾
New Assisted Living Units	15	550	Not applicable	\$7,148/month
New Memory Care Units	14	391	Not applicable	\$7,500/month
New Skilled Nursing Beds	24	410	Not applicable	\$469/day
Total	53			

Source: Management

(1) Monthly Fees and Daily Fees are shown in 2023 dollars.

The Existing Assisted Living Units and the New Assisted Living Units are collectively referred to as the “Assisted Living Units.” The Existing Skilled Nursing Beds and New Skilled Nursing Beds are collectively referred to as the “Skilled Nursing Beds.” The Assisted Living Units, New Memory Care Units, and Skilled Nursing Beds are collectively referred to as the “Healthcare Center.”

The following table summarizes the number of units by level of care before and after the completion of the Project.

Table 5
Number of Units/Beds Before and After the Project

Unit Type	Existing	The Project	Upon Completion
Independent Living Apartments	131	152	283
Independent Living Cottages	38	—	38
Assisted Living Units	14	15	29
Memory Care Units	—	14	14
Skilled Nursing Beds	25	24	49
Total	208	205	413

Source: Management and the Development Consultant

Timeline

The following table illustrates the anticipated timeline for financing, construction completion and fill-up of the Project.

Table 6
Development Timeline

Issuance of Series 2021 Bonds	November 2021
Construction commences on the Project	November 2021
Issuance of Series 2022 Bonds	March 2022
Issuance of Series 2023 Bonds	March 2023
New Independent Living Units available for occupancy	November 2023
New Health Center available for occupancy	December 2023
New Independent Living Units achieve stabilized occupancy of 93%	April 2026
New Assisted Living Units achieves stabilized occupancy of 85% ⁽¹⁾	November 2028
New Memory Care Units achieves stabilized occupancy of 85% ⁽¹⁾	November 2028
New Skilled Nursing Beds achieve stabilized occupancy of 85% ⁽¹⁾	November 2028

Source: Management and the Development Consultant

(1) The New Assisted Living Units, New Memory Care Units and New Skilled Nursing Beds are anticipated to reach 85 percent occupancy in November 2028, which is outside of the forecast period.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the highly contagious respiratory disease named “coronavirus disease 2019” (“COVID-19”) to be a pandemic, and on March 13, 2020, a national emergency was declared in the United States. In December 2020, the U.S. Food and Drug Administration (“FDA”) issued emergency use authorization of vaccines for the prevention of COVID-19.

Despite the increasing availability of vaccines and medical advances in treating COVID-19 patients, an outbreak of any infectious disease, including the growth in the magnitude or severity of COVID-19 cases in the Community’s service area, could result in an abnormally high demand for health care services. Further, changing global economic conditions or global health concerns surrounding the COVID-19 pandemic may also affect the Corporation’s partners, suppliers, distributors and payors, potentially disrupting or delaying the Corporation’s supply chain, forecasted construction, and reimbursement by private payors.

As with nearly all industries and companies operating through the COVID-19 pandemic, the Corporation expects to encounter further disruption in routine operations and in the local, national and global economies. The ultimate impact of the COVID-19 pandemic remains difficult to predict and could materially adversely impact the Corporation’s financial condition, liquidity and results of operations.

The Corporation has activated plans to address the COVID-19 threat and is operating pursuant to infectious disease protocols and its Emergency Preparedness plan, including certain restrictions on vendor and visitor access.

As a result, Management has estimated COVID-19 impact on the forecasted financial statements for the fiscal year ending December 31, 2021 as follows:

- Under provision of the CARES Act, in May 2020, the Corporation obtained a loan of \$757,900 under the Small Business Administration’s Paycheck Protection Program (the “PPP Loan”), as amended by the Paycheck Protection Program Flexibility Act of 2020. On April 16, 2021, the Small Business Administration sent a notice of the PPP Loan forgiveness of the \$757,900 and related interest. For the purpose of the forecast, the PPP Loan is assumed to be forgiven and recognized as revenue during the year ending December 31, 2021.

Significant Agreements

Management Agreement

The Manager is affiliated with Retirement Living Associates, Inc. which provides professional management, marketing, development, consulting and advisory services to senior living communities in North Carolina, South Carolina, and Florida.

In 2011, the Corporation entered into a management agreement with the Manager (the “Initial Management Agreement”). The Initial Management Agreement terminated September 30, 2020. As of December 31, 2020, the Manager has deferred \$400,000 of prior management fees and incentive fee (the “Deferred Management Fees”) related to the Initial Management Agreement. Pursuant to the Initial Management Agreement, \$400,000 is the maximum level of Deferred Management Fees allowed. Management assumes no change to the Deferred Management Fee balance related to the Initial Management Agreement during the forecast period. The Deferred Management Fees accrue interest at 6.0 percent, the payment of which is also to be deferred (“Interest Payable – Deferred Management Fees”).

The Corporation entered into a new management agreement with the Manager for a term which commenced on October 1, 2020 (the “2020 Management Agreement”) and terminates on December 31, 2030. Pursuant to the terms of the 2020 Management Agreement, the Manager is responsible for the management of the Independent Living Units, Healthcare Center, and non-clinical aspects of the Community, including staffing, accounting, and general administrative services. As compensation for services rendered, the Corporation is expected to pay the Manager a base management fee (the “Base Management Fee”) and an incentive fee (the “Incentive Fee” and collectively with the Base Management Fee, the “Management Fee”).

Pursuant to the Management Agreement, the Base Management Fee is paid in the amount of approximately \$27,500 per month during months 1-60 of the term of the 2020 Management Agreement and \$31,000 per month during months 61-123 of the term of the 2020 Management Agreement. Upon issuance by the Town of Cary of a permanent certificate of occupancy for the New Independent Living Units, the amounts described above are to increase to \$36,575 per month for the months of 1-60 of the term of the 2020 Management Agreement and to \$41,230 per month for months 61-123 of the term of the 2020 Management Agreement.

The Incentive Fee is to be equal to the lesser of 1.00% of the Independent Living Monthly Fee Revenues collected with respect to the Community or 20.0% of the then applicable Base Management Fee.

Commencing with the calendar year beginning on January 1, 2022, and for all subsequent calendar years, any increase in the Base Management Fee payable with respect to such calendar year over the Base Management Fee payable with respect to the prior calendar year may not exceed \$68,500, and the amount of the Base Management Fee with respect to such calendar year in excess of such maximum is a Deferred Management Fee, payable in the event of termination of the 2020 Management Agreement on or before December 31, 2027.

The Management Fee assumed to be paid to the Manager in association with the Management Agreement is summarized in the following table.

Table 7						
Management Fees						
(In Thousands)						
Years Ending December 31,	2021	2022	2023	2024	2025	2026
Base Management Fee	\$ 330	\$ 330	\$ 348	\$ 439	\$ 453	\$ 495
Incentive Management Fee	66	66	66	173	270	311
Total Management Fees	396	396	414	612	723	806
Deferred Management Fees	\$ -	\$ -	\$ -	\$ 22	\$ -	\$ -

Source: Management

Development Consulting Agreement

The Corporation and the Development Consultant entered into a development consulting services agreement, dated May 3, 2019 (the “Development Consulting Agreement”), whereby the Development Consultant is required to provide certain development and consulting services in connection with planning, financing, construction, marketing and opening of the Project.

The Development Consultant is also to be responsible for the marketing and initial occupancy of the Project until the New Independent Living Units achieve occupancy of 95 percent (“Project Stabilized Occupancy”).

As compensation for services rendered pursuant to the Development Consulting Agreement, the Development Consultant is to be paid a development consulting fee consisting of a base development consulting fee (the “Base Development Fee”) and a marketing fee (the “Marketing Fee”) (collectively referred to as the “Development Consulting Fee”). Based on the project budget as provided by Management and the Development Consultant, the total Development Consulting Fees paid would approximate \$9,172,000, which includes a Base Development Fee of approximately \$7,582,000, and a Marketing Fee of approximately \$1,590,000.

The Development Consulting Fee assumed to be paid to the Development Consultant in association with Project development is summarized in the following table.

Table 8
Anticipated Development Consulting Fees

<u>Base Development Fee</u>	
Upon commencement of development agreement, prior to the Series 2021 Bonds closing	\$ 600,000
Upon closing of the Series 2021 Bonds ⁽¹⁾	3,191,000
Pro-rata over construction period	2,275,000
Upon obtaining certificate of occupancy	758,000
Upon obtaining all applicable permits for Project operations	758,000
Total Base Development Fee	\$7,582 ,000
<u>Marketing Fee</u>	
Pro-rata upon each move-in for the New Independent Living Units ⁽²⁾	\$1,590,000
Total Development Consulting Fees	\$9,172,000

Source: The Development Consulting Agreement

(1) Assumes a November 2021 permanent financing.

(2) Approximately \$11,245 per move-in for the New Independent Living Units, assuming no move-in of Residents on the Project's waitlist prior to July 1, 2019.

The Corporation is also expected to pay an administrative fee and reimburse the Development Consultant for all reasonable out-of-pocket travel expenses for personnel employed by the Development Consultant and costs of employing the Project's marketing and sales staff.

Summary of Financing

Existing Bonds

In December 2016, the Corporation issued \$8,000,000 of non-rated tax-exempt fixed rate revenue bonds through the Public Finance Authority of the State of Wisconsin (the “Public Finance Authority”) to fund the purchase of the Project site (other than one “Lot 37”) and an expansion of the Healthcare Center. In December 2017, the Corporation issued \$71,730,000 of tax-exempt fixed rate revenue refunding bonds (the “Series 2017A Bonds”) and \$6,015,000 of tax-exempt revenue bonds (the “Series 2017B Bonds” and collectively with the Series 2017A Bonds, the “Series 2017 Bonds”), through the Public Finance Authority to refund certain existing debt and pay for the initial development costs associated with the Project. In June 2020, the Corporation issued \$4,600,000 of tax-exempt fixed rate revenue bonds (the “Series 2020A Bonds”) and \$2,000,000 of taxable fixed rate revenue bonds (the “Series 2020B Bonds”), through the Public Finance Authority (collectively, the “Series 2020 Bonds”). The proceeds of the Series 2020 Bonds were used to finance pre-development costs related to the Project, landscaping, and improvements of the facilities of the Community. The Series 2016 Bonds, the Series 2017 Bonds, and the Series 2020 Bonds are collectively referred to as the “Existing Bonds.”

Prior to the issuance of the Series 2021 Bonds, the Corporation has funded approximately \$8,841,000 of preliminary costs associated with the development of the Project from proceeds of the Series 2020A Bonds in the amount of approximately \$4,600,000, from proceeds of the Series 2020B Bonds in the amount of approximately \$2,000,000, and from proceeds of the Series 2017 Bonds in the amounts of approximately \$2,241,000.

Series 2021 Bonds

Management plans to repay the Series 2020 Bonds, refund other existing debt of the Corporation and fund Project construction and related project costs primarily through the issuance of \$178,715,000 Public Finance Authority Revenue Bonds (Searstone CCRC Project), Series 2021 (the “Series 2021 Bonds”), to be issued at a net discount. The Corporation is to be solely responsible for the payment of debt service on the Series 2021 Bonds.

Series 2022 Bonds

Management plans to refund the outstanding Series 2016 Bonds through the issuance of \$8,920,000 Public Finance Authority Revenue Refunding Bonds (Searstone CCRC Project), Series 2022A Forward Delivery (the “Series 2022 Bonds”), to be issued at a discount. The Corporation is to be solely responsible for the payment of debt service on the Series 2022 Bonds.

Series 2023 Bonds

Management plans to refund the outstanding Series 2017 Bonds through the issuance of \$75,995,000 Public Finance Authority Revenue Refunding Bonds (Searstone CCRC Project), Series 2023A Forward Delivery (the “Series 2023 Bonds”), to be issued at a premium. The Corporation is to be solely responsible for the payment of debt service on the Series 2023 Bonds.

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

Table 9
Sources and Uses of Funds
(In Thousands)

Sources of Funds:	
Series 2021A Bonds ⁽¹⁾	\$ 104,850
Series 2021B Bonds ⁽¹⁾	68,550
Series 2021C Bonds ⁽¹⁾	5,315
Total Series 2021 Bonds	\$ 178,715
Net original issue discount	(663)
Series 2021 Bonds, net ⁽¹⁾	\$ 178,052
Series 2022 Bonds, net ⁽²⁾	8,562
Series 2023 Bonds, net ⁽³⁾	77,961
Series 2017 Bonds ⁽⁴⁾	2,241
Trustee held funds related to the Existing Bonds ⁽⁵⁾	4,155
Initial Entrance Fees ⁽⁶⁾	17,486
Total Sources of Funds	\$ 288,457
Uses of Funds:	
Project Costs:	
Land and related ⁽⁷⁾	\$ 2,476
Direct construction costs ⁽⁸⁾	120,778
Indirect construction costs ⁽⁹⁾	3,425
Professional services ⁽¹⁰⁾	6,341
Marketing costs ⁽¹¹⁾	5,150
Miscellaneous costs ⁽¹²⁾	2,015
Contingency ⁽¹³⁾	5,739
Development costs ⁽¹⁴⁾	9,718
Total Project Costs	\$ 155,642
Refunding of the Series 2016 Bonds ⁽¹⁵⁾	8,573
Refunding of the Series 2017 Bonds ⁽¹⁶⁾	78,783
Funded Interest Fund ⁽¹⁷⁾	15,656
Debt Service Reserve Funds ⁽¹⁸⁾	7,833
Working Capital Fund ⁽¹⁹⁾	8,796
Operating Reserve Fund ⁽²⁰⁾	7,100
Cost of Issuance and Other Costs ⁽²¹⁾	6,074
Total Uses of Funds	\$ 288,457

Source: Management, Underwriter and the Development Consultant

See Independent Accountants’ Examination Report

Notes to Table:

- (1) The following series of debt are assumed to be issued:
 - \$104,850,000 of unrated tax-exempt fixed rate long term bonds (the “Series 2021A Bonds”), assumed to be issued at a net discount;
 - \$36,310,000 of unrated tax-exempt Entrance Fee Principal Redemption BondsSM (the “Series 2021B-1 Bonds”) and \$32,240,000 of unrated tax-exempt Entrance Fee Principal Redemption BondsSM (the “Series 2021B-2 Bonds” and collectively with the Series 2021B-1 Bonds, the “Series 2021B Bonds”); and
 - \$5,315,000 of unrated taxable Entrance Fee Principal Redemption BondsSM (the “Series 2021C Bonds”).
- (2) \$8,920,000 of unrated tax-exempt fixed rate long term Series 2022 Bonds are assumed to be issued at a discount of \$358,000 in March 2022 with proceeds assumed to be used to refund all of the outstanding Series 2016 Bonds.
- (3) \$75,995,000 of unrated tax-exempt fixed rate long term Series 2023 Bonds are assumed to be issued at a premium of \$1,966,000 in March 2023 with proceeds assumed to be used to refund all of the then outstanding Series 2017 Bonds.
- (4) According to Management, approximately \$2,241,000 of proceeds from the Series 2017 Bonds have been used to fund costs related to the Project.
- (5) Approximately \$4,155,000 of trustee held funds related to the Existing Bonds are assumed to be available to refund the Series 2020 Bonds, the 2016 Bonds, and the 2017 Bonds, fund a portion of Project costs, and fund the parity debt service reserve fund securing the Series 2021A Bonds, the Series 2022 Bonds, and the Series 2023 Bonds.
- (6) Management assumes that approximately \$17,486,000 of initial Entrance Fees are to be used to fund working capital of approximately \$8,796,000, operating reserves of approximately \$7,100,000, and a portion of the Development Consulting Fee of approximately \$1,590,000.
- (7) Land related costs of approximately \$2,476,000 include the \$2,000,000 payment of the Purchase Money Note (hereinafter defined).
- (8) Direct construction, site work, and other costs related to the construction of the Project are assumed to approximate \$120,778,000, including a guaranteed maximum price contract in the amount of \$111,947,436 provided by Clancey and Theys Construction Company.
- (9) Indirect construction costs are assumed to approximate \$3,425,000 and include furniture and equipment costs.
- (10) Professional services costs are assumed to approximate \$6,341,000 and include architecture, interior design, civil engineering, and owner’s representative services.
- (11) Marketing costs are assumed to approximate \$5,150,000 and include expenses related to direct marketing and advertising costs, salaries and benefits, and other promotion materials.
- (12) Miscellaneous costs are assumed to approximate \$2,015,000 and include expenses related to start-up costs, insurance, consulting, and legal costs.
- (13) Management has included a project contingency of \$5,739,000 as part of the overall Project-related costs.
- (14) Development costs of approximately \$9,718,000 include \$7,582,000 of Development Consulting Fees assumed to be funded through proceeds from the Series 2021 Bonds, \$1,590,000 of Development Consulting Fees assumed to be funded from initial Entrance Fees, as well as Development Consultant administrative costs and other reimbursable costs, based on the Development Consulting Agreement.
- (15) Proceeds from the Series 2022 Bonds are assumed to refund all of the outstanding Series 2016 Bonds, including a bond redemption premium of approximately \$320,000.
- (16) Proceeds from the Series 2023 Bonds are assumed to refund all of the then outstanding Series 2017 Bonds, including a bond redemption premium of approximately \$2,905,000.
- (17) The Underwriter has estimated approximately \$15,656,000 of proceeds from the Series 2021 Bonds to be used to fund interest for 30 months from the date of the issuance of the Series 2021 Bonds.
- (18) The deposits to the debt service reserve funds are assumed to approximate \$5,593,000 for the Series 2021A Bonds, \$1,180,000 for the Series 2021B-1 Bonds, \$873,000 for the Series 2021B-2 Bonds, and \$187,000 for the Series 2021C Bonds.
- (19) Subsequent to the issuance of the Series 2021 Bonds and after construction completion of the Project, initial Entrance Fees of \$8,796,000 are assumed to be available to fund the Working Capital Fund to pay for working capital.
- (20) Subsequent to the issuance of the Series 2021 Bonds and after construction completion of the Project, initial Entrance Fees of \$7,100,000 are assumed to be available to fund the increase in the statutory operating reserve requirement related to the opening of the Project.
- (21) Costs of issuance related to the Series 2021 Bonds, Series 2022 Bonds, and the Series 2023 Bonds are assumed to approximate \$6,074,000 and include the Underwriter’s discount, legal fees, consulting fees, the bond issuance fees, issuer fees, and other miscellaneous financing costs.

Reservation Agreement and Residency Agreement

To be accepted for admission to an Independent Living Unit, a prospective resident must be at least 62 years of age (or if a couple, one person is at least 62 years of age and the other person must be at least 55 years of age) at the time residency is established and exhibit the ability to live independently and meet their financial obligations as residents of the selected Independent Living Unit.

Reservation Agreement

To reserve an Independent Living Unit, a prospective resident is required to execute a reservation agreement (the “Reservation Agreement”), provide self-disclosure of his or her health and finances, and place a deposit equal to 10 percent of the Entrance Fee (the “Entrance Fee Deposit”) on the selected Independent Living Unit (the “Depositor”). The remaining 90 percent of the Entrance Fee is due prior to the occupancy date (the “Occupancy Date”) of the Independent Living Unit, but in no event later than 60 days following the date upon with the resident (hereinafter defined) received notice from the Corporation that the selected residence is available for residency. The Reservation Agreement reserves the right of the prospective resident to choose the selected Independent Living Unit and indicate his or her intent to execute a residency agreement (the “Residency Agreement”).

Residency Agreement

The Residency Agreement is a contract under which the Corporation is obligated, upon payment by the resident of an Entrance Fee and ongoing payments of the Monthly Fee to the Corporation, to provide certain services for life to the resident. Under the Residency Agreement, payment of the Entrance Fee and Monthly Fee entitles all residents of the Independent Living Units (“Residents”) to receive the following services and amenities:

- Utilities including heating, air conditioning, water, sewer, electricity and basic television services;
- Security and 24-hour emergency call systems;
- Maintenance of both the unit and the grounds and equipment;
- Scheduled local transportation;
- Valet parking for Residents of The Winston Clubhouse;
- Planned social, educational, cultural and recreational activities;
- Additional storage space for the Independent Living Units;
- Use of the community areas, private dining and meeting rooms, lounges, lobbies, library, social and recreational rooms, and other common activity facilities; and
- Priority access and services in the Healthcare Center.

Additional services are available to Residents for an extra charge including, but not limited to, additional dining, additional housekeeping, linen services, additional maintenance, personal transportation, non-emergency response calls to residences and other concierge services.

Management offers two resident service packages: the “Gold Package” and the “Platinum Package.” Dining and housekeeping services are based on the selected resident service package and are as follows:

Service	The Gold Package	The Platinum Package
Dining	\$226 meal credit per person per month	\$452 meal credit per person per month
Housekeeping	Monthly	Weekly

Residents may also use their own monthly dining dollar credits for their guests and for private functions. Residents who incur monthly dining charges, for themselves or guests, in excess of the monthly credit amount will either pay for such excess at the time such dining charges are incurred, or will be billed for such excess dining charges monthly. The Monthly Fee will not be reduced for dining dollar credits not used unless the Resident is away from the Community for more than 30 consecutive days, with prior notification. If such prior notification is given, the Resident will be credited with a prorated dining dollar credit commencing with the 31st day of absence.

Residents have the opportunity to change their selected service package on a monthly basis, given 30 days’ notice. For the purpose of this forecast, Management has assumed that approximately 98 percent of the Residents would select the Gold Package and two percent would select the Platinum Package in 2021 and thereafter.

Additional services are available to Residents for an extra charge including, but not limited to: additional meals, additional housekeeping and linen services, traveler’s services, extra underground parking, and other concierge services.

Health Care Benefit

Under the Residency Agreement, the Corporation provides assisted living and nursing care services in the Healthcare Center. The Monthly Fee for Residents who transfer to the Healthcare Center are based on the Entrance Fee plan selected: Type A Plan or Type C Plan.

Residents who select the Type A Plan and are transferred to the Healthcare Center would continue to pay their Monthly Fee plus the cost of two additional meals per day. In the event the Assisted Living Units and Skilled Nursing Beds are full, Residents are temporarily moved to an outside facility at no additional Monthly Fee. The Entrance Fee for the Type A Plan includes a residential component and a Life Care Fee. Residents selecting the Type A Plan are required to maintain Medicare Parts A and B and supplemental health insurance.

Residents who selected the Type C Plan and are temporarily or permanently transferred to the Healthcare Center would pay the then current Monthly Fee for assisted living or Daily Fee for nursing care services. In addition, in the event the Assisted Living Units are full, Residents are temporarily moved to an outside facility at an additional charge. In the event that the Skilled Nursing Beds are full, Residents are provided access to outside nursing services at the expense of the Resident.

The Community offered Type A Plan and Type C Plan contracts to the initial residents of the Community and the Project. Management assumes that only the Type A Plan is to be offered to turnover Residents and Depositors during the forecast period.

Entrance Fee Refundability

Four Entrance Fee plans are available for initial residents of the New Independent Living units including three Type A Plans and one Type C Plan. The Type A Plans available include a zero percent refundable plan (the “0% Refund”), a 50 percent refundable plan (the “50% Refund”) and a 100 percent refundable plan (the “100% Refund Plan”). The Type C Plan is available under a 90 percent refundable plan (the “90% Refund”).

The refund options and related amortization schedules of the Entrance Fee Plans and Life Care Fee are as follows:

Refund Options	Amortization Schedule
0% Refund ⁽¹⁾	The Entrance Fee amortizes two percent per month upon the month in which the balance of the Entrance Fee is paid. After 50 months, the Entrance Fee is no longer refundable.
50% Refund ⁽¹⁾	The Entrance Fee amortizes two percent per month upon the month in which the balance of the Entrance Fee is paid. After 25 months, the Entrance Fee is 50 percent refundable.
90% Refund ⁽¹⁾	The Entrance Fee amortizes two percent per month upon the month in which the balance of the Entrance Fee is paid. After five months, the Entrance Fee is 90 percent refundable.
100% Refund ⁽¹⁾⁽²⁾	The Entrance Fee is 100 percent refundable.
Life Care Fee ⁽³⁾	The Life Care Fee amortizes two percent per month upon the Occupancy Date. After 50 months, the Life Care Fee is no longer refundable.

Source: Management

- (1) The 0% Refund, 50% Refund and 90% Refund plans are not available to prospective Residents of the Existing Independent Living Units. The 0% Refund, 50% Refund and 100% Refund plans are offered under the Type A Plan contract. The 90% Refund is offered under the Type C Plan contract.
- (2) The Type A – 100% Refund Plan is the only plan available in the Existing Independent Living Units.
- (3) The Life Care Fee is only applicable to the Type A Plan.

If the Residency Agreement is terminated by the Resident after the Occupancy Date, the Corporation shall refund the Resident or Resident’s estate within 30 days following the Corporation’s receipt of Entrance Fee proceeds for a comparable Independent Living Unit. The Entrance Fee return amount shall equal the sum of: (i) the refundable portion of the Entrance Fee, (ii) the unamortized portion of the Life Care Fee (if applicable), (iii) amounts due for unpaid Entrance Fees, (iv) costs specifically incurred by the Resident and (v) any other amounts due to the Corporation.

The following table summarizes the assumed Entrance Fee Plans utilization.

Table 10
Utilization of Entrance Fee Options

Plan Type	Existing Independent Living Units		New Independent Living Units	
	Number of Residents ⁽¹⁾	Percent of Residents	Number of Depositors ⁽²⁾	Percent of Depositors ⁽³⁾
<u>Type A Plan</u>				
0% Refund	—	—	15	12.5%
50% Refund	—	—	20	16.7%
100% Refund	141	87.6%	80	66.7%
<u>Type C Plan</u>				
90% Refund	20	12.4%	5	4.1%
Total Occupied	161	100.0%	120	100.0%

Source: Management

(1) Based on Primary Resident information as of June 21, 2021. As of June 21, 2021, 166 of the 169 Existing Independent Living Units were occupied. Five Residents are current Depositors of the Project and have been included as Depositors for purposes of this analysis. The Type C Plan is 100 percent refundable for Residents of the Existing Independent Living Units and is no longer offered.

(2) Primary Depositor information as of August 31, 2021. Three Depositors have reserved two New Independent Living Units for a total of 123 New Independent Living Units reserved.

(3) For purposes of the forecast, Management has assumed 10 percent of the Depositors for the New Independent Living Units would select the Type A Plan – 0% Refund, five percent would select the Type A – 50% Refund Plan, 75 percent would select the Type A Plan – 100% Refund Plan and 10 percent would select the Type C – 90% Refund Plan.

Priority Club and Charter Member Benefits

Prior to July 1, 2021, the Corporation offered a Priority Club program (the “Priority Club Program”) and a Charter Member program (the “Charter Member Program”). Of the 120 Depositors as of August 31, 2021, 91 Depositors (76 percent) were in the Priority Club Program and 18 Depositors (15 percent) were in the Charter Member Program. The Priority Club Program and Charter Member Programs are no longer offered.

The benefits of the Priority Club Program include:

- 10 percent discount on the Entrance Fee;
- Four Entrance Fee options (Type A Plan – 0% Refund, Type A Plan – 50% Refund, Type A – 100% Refund and Type C – 90% Refund);
- Two months complimentary Monthly Fees upon the date the New Independent Living Unit is available for occupancy;
- Lifetime second person Monthly Fee discount of \$100;
- Residence customization package of up to \$2,500;
- Moving allowance up to \$2,500; and,
- Special member receptions, programs and seminars prior to opening.

The benefits of the Charter Member Program include a 10 percent discount on the Entrance Fee and special member receptions, programs and seminars prior to opening.

Upon closing of the Series 2021 Bonds, Management intends to increase Entrance Fee pricing by an average of 8.6 percent and Monthly Fee pricing by an average of 5.5 percent for new Depositors (“Construction Pricing”).

Management assumes 71 percent of initial Residents are to pay the Entrance Fee and Monthly Fee associated with the Charter Member Program and 29 percent of initial Residents are to pay the Entrance Fee and Monthly Fee associated with Construction Pricing.

Combination Apartments

According to Management, three Depositors have each reserved two New Independent Living Units (a “Combination Apartment”). The Combination Apartments were created by combining two Finley one-bedroom New Independent Living Units. Upon vacancy, the Combination Apartments could be separated and remarketed as their original floor plans. The Entrance Fee and Monthly Fee for the Combination Apartments is equal to the Entrance Fee for each New Independent Living Unit and 1.5 times the Monthly Fee for a Finley New Independent Living Unit.

Characteristics of the Market Area

Assumptions for the future utilization of the Community are assessed based on analysis of the following factors that may affect the demand for the Community's accommodations and services:

- Site description and general area analysis;
- Defined primary market area for the Community;
- Demographic and socioeconomic characteristics of the defined primary market area;
- Estimated age- and income-qualified households within the defined primary market areas;
- Description and utilization of existing and proposed comparable senior living communities within the defined primary market area;
- Management's ability to market the Community; and
- Penetration rates for independent living services.

Each of the above factors are described in the following sections.

Site Description

The Community is located at 17001 Searstone Drive in Cary, Wake County, North Carolina on approximately 24 acres, with an additional 17 acres designated for the Project. Cary is located in the "Research Triangle" region of North Carolina comprised of Chapel Hill, Durham and Raleigh in the northcentral portion of North Carolina's Piedmont region. The Research Triangle is anchored by North Carolina State University ("NC State"), Duke University ("Duke") and the University of North Carolina at Chapel Hill ("UNC").

General Area Analysis

Highways

The Community is located on Davis Drive which travels north from the Community and provides access to Interstate 40 ("I-40") and the Research Triangle Park ("RTP"). The Community is also within two miles of State Highway 55 ("Highway 55"), which also provides access to I-40, the RTP and Durham. I-40 provides access to Raleigh to the east and travels west into Chapel Hill, Burlington, Greensboro, Winston-Salem and Asheville. U.S. Highway 64 provides access to Pittsboro to the west and Apex to the east. Other local roads include Chapel Hill Road, Cary Parkway and Morrisville Parkway.

Public Transportation

GoCary manages the regional bus system with routes covering the Town of Cary. GoCary partners with GoTriangle, GoRaleigh and GoDurham to provide bus service throughout the Research Triangle. The closest bus stop is located on Route 4 near the entrance of the Community at the intersection of High House Road and Davis Drive in the Cornerstone Shopping Center. Route 4 connects with Triangle Transit Authority ("TTA") Route 311 at Highway 55, which provides access to the RTP to the north and Apex to the south. TTA also provides bus service to Raleigh, Durham and Garner.

Airports

Raleigh-Durham International Airport (“RDU”) is located approximately eight miles northeast of the Community. In 2019, RDU served over 14 million passengers. RDU currently offers flights through 11 major airlines to approximately 43 non-stop destinations.

Healthcare and Hospitals

The following table identifies the hospitals and medical centers that serve the area surrounding the Community.

Table 11				
Hospitals and Medical Centers Near the Community				
Hospital Name	Location	Driving Miles from the Community	Type of Hospital	Number of Beds
WakeMed Cary Hospital	Cary	7.2	Short Term Acute Care	208
UNC Rex Healthcare	Raleigh	13.0	Short Term Acute Care	559
Duke University Hospital	Durham	19.7	Short Term Acute Care	979
UNC Medical Center ⁽¹⁾	Chapel Hill	20.1	Short Term Acute Care	940

Source: WakeMed and American Hospital Directory, September 2021.

(1) The UNC Medical Center includes North Carolina Cancer Hospital, North Carolina Children’s Hospital, North Carolina Memorial Hospital, North Carolina Neurosciences Hospital, and North Carolina Women’s Hospital.

Employment Trends

The unemployment trends for the Town of Cary, Wake County, the Raleigh Metropolitan Statistical Area (“MSA”), North Carolina, and the United States are shown in the following table.

Table 12				
Unemployment Trends				
	2018	2019	2020	2021⁽¹⁾
Town of Cary	3.2%	3.0%	5.4%	3.4%
Wake County	3.5%	3.3%	6.5%	4.1%
Raleigh MSA	3.5%	3.4%	6.5%	4.2%
North Carolina	4.0%	3.8%	7.4%	5.0%
United States	3.9%	3.7%	8.1%	6.1%

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

(1) Data for the Town of Cary, Wake County, the Raleigh MSA and North Carolina is through May 2021. Data for the United States is through June 2021.

According to Wake County Economic Development, the top 10 major employers in Raleigh and Cary include Duke University, Duke University Health System, Wake County Public School System, Wal-Mart, UNC, WakeMed Health and Hospitals, NC State, Food Lion, Target and IBM (International Business Machines).

Shopping/Cultural

The area surrounding the Community offers shopping, dining and cultural opportunities. Cary, North Carolina is located approximately 10 miles south of the RTP, which is a 7,000 acre development that is home to more than 200 companies employing over 40,000 full-time employees. RTP is located at the core of the Research Triangle region (Raleigh, Durham and Chapel Hill) of North Carolina and is a globally known high-technology research and development center.

The Koka Booth Amphitheater, located approximately nine miles southeast of the Community, is Cary's performance center featuring the North Carolina Symphony concerts and other performances. Page-Walker Arts and History Center, approximately four miles east of the Community, is on the National Register for Historic Place and offers classes, events, performances, meetings and receptions and the gallery exhibits. Jordan Hall Arts Center, approximately five miles east of the Community, offers art classes and activities for all ages and features an art gallery for monthly exhibits promoting local artists.

Located across Davis Drive from the Community is Cornerstone Village, a shopping center that includes an H Mart grocery store, restaurants, banks, a gym and medical offices. Bradford Shops is located on High House Road, approximately one mile from the main entrance, of the Community and includes a Publix grocery store, banks, a pharmacy, retail shops and restaurants. Crossroads Plaza, also located in Cary, offers over 60 retail stores and restaurants and is approximately 10 miles southeast of the Community.

The Town of Cary offers more than 30 public parks and natural areas and a greenway system with more than 70 miles of trails. Golf courses near the Community include two private clubs, Prestonwood Country Club and MacGregor Downs Country Club, and one semi-private club, Lochmere Golf Club, all within approximately 10 miles of the Community.

The Research Triangle is also home to several colleges and universities, including North Carolina State University ("NC State"), Duke University ("Duke") and the University of North Carolina at Chapel Hill ("UNC Chapel Hill". NC State, located 13 miles east of the Community in Raleigh, is a public university serving approximately 34,000 students. Duke, approximately 20 miles north of the Community in Durham, is a private university serving approximately 15,000 students. UNC Chapel Hill, approximately 20 miles north west of the Community in Chapel Hill, is a public university serving approximately 30,000 students.

Primary Market Area for Independent Living Services

The primary market area for providers of senior living services is typically defined as the geographic area from which a majority of prospective residents reside prior to moving into a senior living community. As of June 21, 2021, 166 of the 169 Existing Independent Living Units were occupied (98 percent occupancy). In addition, as of August 31, 2021, 123 of the 152 New Independent Living Units were reserved by 120 Depositors, representing approximately 81 percent of the total New Independent Living Units. Five Depositors are Residents and have been included as Depositors in the following analysis.

Based on the zip code origin for Residents and Depositors, discussions with existing senior living providers in the area and experience with similar communities, the primary market area has been defined to be a 13-zip code area surrounding the Community (the “PMA”) primarily in Wake County, North Carolina (with portions in Chatham, Durham and Orange Counties). The PMA spans approximately 23 miles north to south and 22 miles east to west at its longest and widest points.

The following table provides the zip codes and related cities included in the PMA.

Table 13
Independent Living Resident and Depositor Data

Zip Code	City/Town	Residents		Depositors		Total	
		Number ⁽¹⁾	Percentage of Total	Number ⁽¹⁾	Percentage of Total	Number	Percentage of Total
27519	Cary	15	9.3%	21	17.5%	36	12.8%
27513 ⁽²⁾	Cary	12	7.5%	16	13.4%	28	9.9%
27511	Cary	13	8.1%	3	2.5%	16	5.7%
27518	Cary	8	4.9%	7	5.9%	15	5.3%
27502	Apex	6	3.7%	4	3.3%	10	3.6%
27517	Chapel Hill	3	1.9%	4	3.3%	7	2.5%
27560	Morrisville	4	2.5%	2	1.7%	6	2.1%
27703	Durham	—	0.0%	4	3.3%	4	1.4%
27713	Durham	—	0.0%	2	1.7%	2	0.7%
27617	Raleigh	—	0.0%	1	0.8%	1	0.4%
27707	Durham	—	0.0%	1	0.8%	1	0.4%
27523 ⁽³⁾	Apex	—	0.0%	1	0.8%	1	0.4%
27709 ⁽³⁾	Durham	—	0.0%	—	0.0%	—	0.0%
Total PMA Zip Codes		61	37.9%	66	55.0%	127	45.2%
Other North Carolina areas		50	31.1%	37	30.8%	87	31.0%
Out of State		48	29.8%	17	14.2%	65	23.1%
Information not available		2	1.2%	—	—	2	0.7%
Total		161⁽⁴⁾	100.0%	120	100.0%	281	100.0%

Source: Management

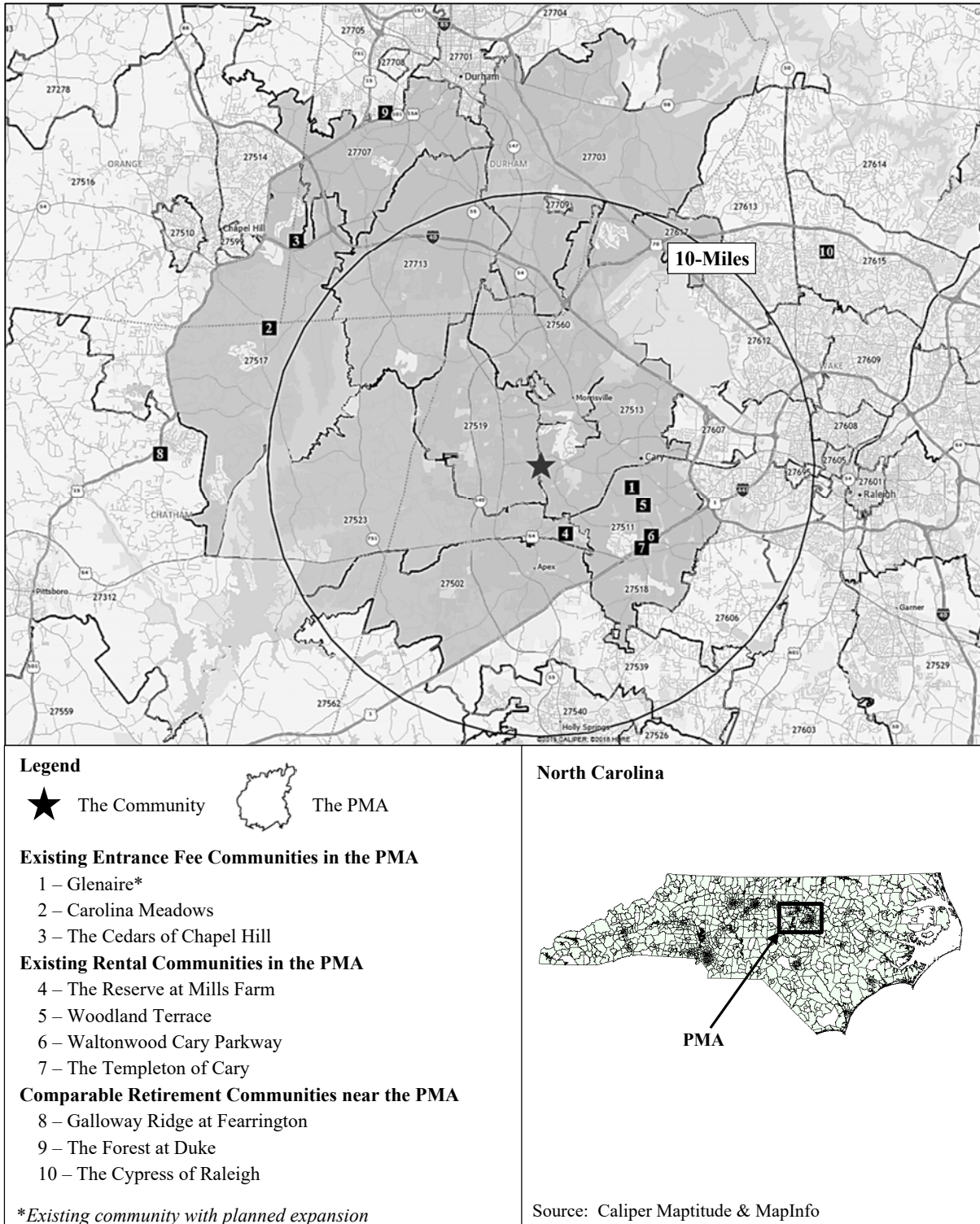
(1) Primary Resident and Depositor information as of June 21, 2021 and August 31, 2021, respectively.

(2) The Community is located in zip code 27513.

(3) Zip code 27709 is included for contiguity purposes.

(4) As of August 31, 2021, five Depositors were Residents and have been included as Depositors for purposes of the PMA analysis.

The following map depicts the Community, the PMA, seven existing retirement communities located within the PMA, and three comparable existing retirement communities located near the PMA.



See Independent Accountants' Examination Report

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 collected demographic data based on the 2010 census figures. Claritas, Inc., a firm that specializes in the analysis of demographic data, has extrapolated the 2010 census information to derive the estimated 2021 figures and projected 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, the state of North Carolina ("North Carolina") and the United States.

Table 14
Historical, Estimated and Projected Populations in the
PMA, North Carolina and United States

	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	368,116	470,110	505,359	2.2%	1.5%
Age 65 to 74 Population	18,653	38,528	48,679	6.8%	4.8%
Age 75 to 84 Population	9,679	17,019	22,679	5.3%	5.9%
Age 85 plus Population	4,070	5,939	6,786	3.5%	2.7%
Total 65 Plus	32,402	61,486	78,144	6.0%	4.9%
Total 75 Plus	13,749	22,958	29,465	4.8%	5.1%
<u>North Carolina</u>					
Total Population	9,535,483	10,644,954	11,161,182	1.0%	1.0%
Age 65 to 74 Population	697,567	1,368,073	1,355,301	4.4%	3.7%
Age 75 to 84 Population	389,051	531,302	609,921	2.9%	2.8%
Age 85 plus Population	147,461	195,249	218,111	2.6%	2.2%
Total 65 Plus	1,234,079	1,844,211	2,171,138	3.7%	3.3%
Total 75 Plus	536,512	726,551	828,032	2.8%	2.6%
<u>United States</u>					
Total Population	308,745,538	330,940,040	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: Claritas, Inc.

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

Table 15
Percentage of Total Population by Age Cohort

2010 (Census)			
	PMA	North Carolina	United States
<u>Age Groupings</u>			
65 plus	8.8%	12.9%	13.0%
75 plus	3.7%	5.6%	6.0%
85 plus	1.1%	1.5%	1.8%
2021 (Estimated)			
	PMA	North Carolina	United States
<u>Age Groupings</u>			
65 plus	13.1%	17.3%	17.1%
75 plus	4.9%	6.8%	7.0%
85 plus	1.3%	1.8%	2.0%
2026 (Projected)			
	PMA	North Carolina	United States
<u>Age Groupings</u>			
65 plus	15.5%	19.5%	19.1%
75 plus	5.8%	7.4%	7.5%
85 plus	1.3%	2.0%	2.1%

Source: Claritas, Inc.

Estimated Eligible Households for Independent Living Services

In order to qualify for residency at the Community, a prospective resident must be at least 62 years of age and demonstrate sufficient financial resources to pay the required Entrance Fee, 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. Generally, prospective independent living residents should have a minimum monthly income of approximately 1.67 times the Monthly Fee (including second person Monthly Fees when applicable) and a minimum asset amount of approximately two times the Entrance Fee for the selected Independent Living Unit.

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 age composition of Depositors as of August 31, 2021 is described in the table below.

Table 16
Depositor Age Composition upon Move-In to the Community

Age Upon Move-in	Number of Depositors ⁽¹⁾	Percent of Depositors
Under 75	26	21.7%
75 and older	94	78.3%
Total	120	100.0%

Source: Management

(1) Includes age information for the 120 primary Depositors upon moving into the New Independent Living Units in 2023.

In addition, the following three annual household income scenarios are presented for estimating the number of income-qualified households in the PMA:

- Annual household income approximately \$50,000 or more based on the minimum monthly fee at the comparable communities in the PMA;
- Annual household income approximately \$75,000 or more based on the Monthly Fee for the smallest New Independent Living Unit (approximately \$3,595 per month in 2023 dollars); and
- Annual household income approximately \$100,000 or more based on the weighted average Monthly Fee for a New Independent Living Unit (approximately \$5,200 per month in 2023 dollars).

In addition, of the Depositors who reported their financial information, the median income is approximately \$121,000 and the median assets are approximately \$3,205,000, based on self-reported Depositor information provided by Management as of August 31, 2021. The average age of Depositors (first persons) approximates 79 years of age when the New Independent Living Units open in 2023.

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

Table 17
Income Eligible Households for Independent Living Services Within PMA

	2021 (Estimated)		
	65 – 74	75+	Total
Total Households:	22,735	13,991	36,726
<u>Household Income</u>			
Under \$50,000	7,099	6,958	14,057
<u>\$50,000 and over</u>			
\$50,000 – \$74,999	3,732	2,386	6,118
\$75,000 – \$99,999	3,172	1,476	4,648
\$100,000 – \$124,999	2,474	1,060	3,534
\$125,000 – \$149,999	1,653	777	2,430
\$150,000 plus	4,605	1,334	5,939
Total \$50,000 and over	15,636	7,033	22,669
Percentage of Income Eligible Households to Total Households – \$50,000 and over	68.8%	50.3%	61.7%
Total \$75,000 and over	11,904	4,647	16,551
Percentage of Income Eligible Households to Total Households – \$75,000 and over	52.4%	33.2%	45.1%
Total \$100,000 and over	8,732	3,171	11,903
Percentage of Income Eligible Households to Total Households – \$100,000 and over	38.4%	22.7%	32.4%
	2026 (Projected)		
	65 – 74	75+	Total
Total Households:	28,298	17,664	45,962
<u>Household Income</u>			
Under \$50,000	7,620	8,054	15,674
<u>\$50,000 and over</u>			
\$50,000 – \$74,999	4,303	2,942	7,245
\$75,000 – \$99,999	3,887	1,907	5,794
\$100,000 – \$124,999	3,158	1,436	4,594
\$125,000 – \$149,999	2,253	1,101	3,354
\$150,000 plus	7,077	2,224	9,301
Total \$50,000 and over	20,678	9,610	30,288
Percentage of Income Eligible Households to Total Households – \$50,000 and over	73.1%	54.4%	65.9%
Total \$75,000 and over	16,375	6,668	23,043
Percentage of Income Eligible Households to Total Households – \$75,000 and over	57.9%	37.7%	50.1%
Total \$100,000 and over	12,488	4,761	17,249
Percentage of Income Eligible Households to Total Households – \$100,000 and over	44.1%	27.0%	37.5%

Source: Claritas, Inc.

The following table estimates the number of age- and income-qualified households in the PMA as estimated in 2021, interpolated in 2023 (the year the New Independent Living Units are to be available for occupancy), and projected in 2026 based on the 2010 Census.

Table 18			
Age and Income Eligible Households for Independent Living Services within the PMA			
	2021	2023	2026
Total \$50,000 and over	7,033	8,063	9,610
Percentage of Income Eligible Households to Total Households – \$50,000 and over	50.3%	52.2%	54.4%
Total \$75,000 and over	4,647	5,455	6,668
Percentage of Income Eligible Households to Total Households – \$75,000 and over	33.2%	35.3%	37.7%
Total \$100,000 and over	3,171	3,807	4,761
Percentage of Income Eligible Households to Total Households – \$100,000 and over	22.7%	24.6%	27.0%

Source: Claritas, Inc.

The following table compares the percentage of income-qualified households to total households for the \$50,000, \$75,000 and \$100,000 income qualification level for age 75 and above households within the PMA, North Carolina and the United States, projected in 2026 based on the 2010 Census.

Table 19			
Comparison of Income-Qualified Households – 2026			
	Age 75 and Above		
	PMA	North Carolina	United States
Percent \$50,000 and over Households to Total Households	54.4%	39.2%	41.7%
Percent \$75,000 and over Households to Total Households	37.7%	23.3%	26.0%
Percent \$100,000 and over Households to Total Households	27.0%	15.1%	17.6%

Source: Claritas, Inc.

Market Area Real Estate

The ability of potential residents to sell their home prior to assuming occupancy at a community may have an impact on the ability of residents to move into the community. Often, entrance fees are paid with funds received through the sale of a prospective resident's home. Home values fluctuate over time and vary regionally based upon economic conditions.

The following table summarizes the real estate statistics for Wake County, North Carolina.

Table 20			
Market Area Real Estate Trends – Wake County			
	2019	2020	2021⁽¹⁾
Number of Homes Sold	21,451	22,944	11,289
Average Sales Price	\$358,762	\$383,466	\$434,203
Median Sales Price	\$315,000	\$337,500	\$375,530
Average Days on Market	28	23	12

Source: Triangle Multiple Listing Service, Inc.

(1) Information through June 2021.

The following table depicts the number of homes sold, average sales prices of homes and average days on market by zip code for the PMA.

Table 21										
Market Area Real Estate Trends for the PMA										
Zip Code⁽³⁾	City/Town	2019			2020			2021⁽¹⁾		
		Number of Homes Sold	Average Sales Price	Average Days on Market	Number of Homes Sold	Average Sales Price	Average Days on Market	Number of Homes Sold	Average Sales Price	Average Days on Market
27519	Cary	3,210	\$500,572	17	1,223	\$499,844	18	720	\$537,317	5
27513 ⁽²⁾	Cary	713	\$382,242	21	1,179	\$416,799	17	433	\$437,391	10
27511	Cary	529	\$352,509	20	1,396	\$379,852	16	325	\$446,942	11
27518	Cary	288	\$471,863	28	354	\$496,237	30	820	\$504,727	26
27502	Apex	1,301	\$385,257	16	1,379	\$401,619	12	677	\$454,587	4
27517	Chapel Hill	587	\$468,419	38	586	\$501,722	46	414	\$622,898	25
27560	Morrisville	530	\$336,096	20	505	\$347,900	19	284	\$415,085	8
27703	Durham	1,488	\$284,767	13	1,827	\$300,043	11	885	\$330,413	6
27713	Durham	1,250	\$296,587	13	1,150	\$322,623	12	650	\$370,337	8
27617	Raleigh	396	\$331,517	32	404	\$363,737	25	223	\$404,349	13
27707	Durham	558	\$332,137	22	661	\$370,837	21	396	\$431,429	14
27523	Apex	512	\$544,152	9	512	\$544,152	9	244	\$621,593	9
Total/Weighted Avg.		11,362	\$400,083	18	11,176	\$395,675	17	6,071	\$455,399	11

Source: Triangle Multiple Listing Service, Inc.

(1) Information as of July 22, 2021.

(2) The Community is located in zip code 27513.

(3) Zip code 27709, not show in the table, represents the RTP and has no home sales reported .

Description and Utilization of Independent Living (“IL”)

Continuing Care Regulatory Requirements

In North Carolina, CCRCs are licensed and regulated by the North Carolina Department of Insurance (the “Department”) under Chapter 58, Article 64 of the North Carolina General Statutes (the “General Statutes”) and under Title 11 of the North Carolina Administrative Code. The General Statutes define continuing care as “the furnishing to an individual other than an individual related by blood, marriage, or adoption to the person furnishing the care, of lodging together with nursing services, medical services, or other health related services, under an agreement effective for the life of the individual or for a period longer than one year.”

A CCRC is required to obtain a license from the Department prior to entering into continuing care contracts. Registration must include a disclosure statement, including financial statements and other information required by the Department, which is required to be updated each year subsequent to initial registration (the “Disclosure Statement”). The provider is also required to deliver a Disclosure Statement to prospective residents upon or prior to execution of a residency agreement or collection of a deposit. In addition, CCRCs are required to maintain certain minimum levels of operating reserves to provide security to residents that the community will be able to meet its contractual obligations to provide continuing care.

Comparable Independent Living 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 setting for age restricted seniors. 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.

Management has defined comparable facilities as those facilities that: (i) include independent living services; (ii) provide one or more other levels of care such as assisted living, memory 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.

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.

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.

Equity Model ("Equity") - Under an Equity model, residents purchase their home or apartment and typically pay a non-refundable membership fee, securing 100 percent of the purchase price or future resale value as equity. Or, the purchase price may include the membership fee (e.g., 10 percent of purchase price), thereby leaving the balance of the sale price as true equity for the member. Under the equity model, health care benefits vary from a limited number of free or discounted days to full life care.

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 care 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 Community offers a Type A Contract in the Existing Independent Living Units and Type A and Type C contracts for the New Independent Living Units.

The following tables profile the Community, the Project, three entrance fee communities located within the PMA and four rental communities in the PMA. In addition, three entrance fee communities near the PMA are profiled for informational purposes only.

Table 22
Entrance Fee Communities within the PMA

	The Community	The Project	Glenaire (Existing)	Glenaire (Project)
Location and Zip Code	Cary – 27513	Cary – 27513	Cary – 27511	Cary – 27511
Miles from the Community	–	–	4.6	4.6
Sponsor/Developer	The Corporation	The Corporation	The Presbyterian Homes, Inc.	The Presbyterian Homes, Inc.
Year Opened	2013	2023	1991	2023
Type of Contract	Type A	Type A / Type C	Type B	Type B
For-Profit/Not-for-Profit	Not-for-Profit	Not-for-Profit	Not-for-Profit	Not-for-Profit
Unit Configuration				
<i>Independent Living Units (ILUs)</i>				
Studios	–	–	9	–
One-bedroom apartments	39	42	76	–
Two-bedroom apartments	92	110	90	172
Three-bedroom apartments	–	–	1	20
Homes/Cottages/Villas	38	–	48	–
Total ILUs	169	152	224	192
<i>Assisted Living/Memory Care Units</i>	14 AL	15 AL/14 MC	49 AL	37 AL
<i>Nursing Care Beds</i>	25	24	71	–
Independent Living				
<i>Square Footage</i>				
Studios	–	–	526	–
One-bedroom apartments	931 – 1,402	937 – 1,304	785 – 1,090	–
Two-bedroom apartments	1,204 – 2,294	1,339 – 1,943	1,087 – 2,088	1,439 – 1,832
Three-bedroom apartments	–	–	–	2,081 – 2,769
Homes/Cottages/Villas	1,766 – 3,914	–	1,750 – 2,290	–
<i>Entrance Fees</i>				
Studios	–	–	\$127,300	–
One-bedroom apartments	\$462,000 – 519,000	\$463,900 – 620,900	\$243,200 – 323,000	–
Two-bedroom apartments	\$503,000 – 795,000	\$651,186 – 933,400	\$393,300 – 805,600	\$722,000 – 988,000
Three-bedroom apartments	–	–	–	\$1,096,300 – 1,404,100
Homes/Cottages/Villas	\$628,000 – 950,000	–	\$568,100 – 784,700	–
2 nd Person Entrance Fee	–	–	–	–
<i>Monthly Fees</i>				
Studios	–	–	\$2,587	–
One-bedroom apartments	\$3,410 – 4,430	\$3,389 – 4,425	\$3,030 – 3,543	–
Two-bedroom apartments	\$4,210 – 6,780	\$4,614 – 6,216	\$3,543 – 4,713	\$4,101 – 4,445
Three-bedroom apartments	–	–	–	\$4,709 – 5,397
Homes/Cottages/Villas	\$6,140 – 7,640	–	\$3,671 – 4,065	–
2 nd Person Monthly Fee	\$1,530	\$1,461	\$1,142	\$1,142
<i>Refund Options</i>	100%	0%, 50%, 100% (shown)	0%, 50% & 90% (shown)	0%, 50% & 90% (shown)
Assisted Living				
<i>Monthly Fee</i>	\$7,071	\$6,738	\$6,217 – 7,146	\$6,217 – 7,146
Memory Care				
<i>Monthly Fee</i>	–	\$7,069	–	–
Nursing Care				
<i>Daily Rate</i>	\$435	\$442	\$322 – 391	–
Occupancy Rate				
<i>Independent Living</i>	96%	–	97%	–
<i>Assisted Living</i>	86%	–	100%	–
<i>Nursing Care</i>	40%	–	95%	–

Source: Management and competitor surveys conducted by DHG through August 2021.

See Independent Accountants' Examination Report

Table 21
Entrance Fee Communities within the PMA (continued)

	Carolina Meadows	The Cedars of Chapel Hill
Location and Zip Code	Chapel Hill – 27517	Chapel Hill – 27517
Miles from the Community	16.2	17.8
Sponsor/Developer	Carolina Meadows, Inc.	The Cedars of Chapel Hill, LLC
Year Opened	1980	2004
Type of Contract	Equity	Equity
For-Profit/Not-for-Profit	Not-for-Profit	For-Profit
Unit Configuration		
<i>Independent Living Units (ILUs)</i>		
Studios	–	–
One-bedroom apartments	70	8
Two-bedroom apartments	86	249
Three-bedroom apartments	–	–
Homes/Cottages/Villas	287	49
Total ILUs	443	306
<i>Assisted Living/Memory Care Units</i>	64 AL/14 MC	See note
<i>Nursing Care Beds</i>	90	78
Independent Living		
<i>Square Footage</i>		
Studios	–	–
One-bedroom apartments	717 – 1,007	961 – 1,290
Two-bedroom apartments	1,200 – 1,600	1,088 – 3,467
Three-bedroom apartments	–	–
Homes/Cottages/Villas	1,560 – 2,910	1,522 – 3,087
<i>Entrance Fees</i>		
Studios	–	–
One-bedroom apartments	\$132,300 – 211,500	\$275,000 – 310,000
Two-bedroom apartments	\$271,100 – 380,500	\$325,000 – 725,000
Three-bedroom apartments	–	–
Homes/Cottages/Villas	\$313,300 – 779,000	\$7325,000 – 1,750,000
2 nd Person Entrance Fee	–	–
<i>Monthly Fees</i>		
Studios	–	–
One-bedroom apartments	\$2,938 – 3,050	\$3,133 – 3,725
Two-bedroom apartments	\$3,329 – 3,417	\$3,315 – 6,917
Three-bedroom apartments	–	–
Homes/Cottages/Villas	\$3,408 – 3,864	\$4,087 – 6,476
2 nd Person Monthly Fee	\$991	\$1,466
<i>Refund Options</i>	See note	See note
Assisted Living		
<i>Monthly Fee</i>	\$7,270 – 8,182	\$8,821 – 14,448
Memory Care		
<i>Monthly Fee</i>	\$9,277	\$8,821 – 14,448
Nursing Care		
<i>Daily Rate</i>	\$351 – 370	\$370 – 555
Occupancy Rate		
<i>Independent Living</i>	98%	97%
<i>Assisted Living/Memory Care</i>	91%/93%	64%/64%
<i>Nursing Care</i>	63%	64%

Source: Competitor surveys conducted by DHG through August 2021.

Notes to Table:

The Community

- (1) The Entrance Fee and Monthly Fee pricing is effective as of January 1, 2021.
- (2) Entrance Fee pricing shown includes a non-refundable \$67,000 Life Care Fee. Second persons would pay the \$67,000 Life Care Fee if a Type A plan is chosen.
- (3) Management offers two resident service packages: The “Gold Package” and the “Platinum Package.”
 - a. The Monthly Fees shown in the table above reflect the Gold Package. The Gold Package provides for a \$226 meal credit per person per month and monthly housekeeping.
 - b. The Monthly Fees for the Platinum Package are an additional \$320 per month for one resident (plus an additional \$210 for a second person) and provides for a \$452 meal credit per person per month and weekly housekeeping.
- (4) Residents who have selected the Type A Plan and are temporarily or permanently transferred to the Healthcare Center will continue to pay their Independent Living Unit Monthly Fee. Under the Platinum Package, Residents will receive three meals per day for \$939 per month. Under the Gold Package, Residents will receive 15 meal credits per month and pay an additional \$750 per month for 75 meals. Residents who selected the Type C Plan and are temporarily or permanently transferred to the Healthcare Center would pay the then current Monthly Fee for assisted living services or Daily Fee for nursing care services which includes three meals per day.
- (5) Occupancy as of June 30, 2021.

The Project

- (1) Entrance Fees shown are those to be marketed to potential residents. The Monthly Fees and Daily Fee shown have been deflated three percent annually from the anticipated 2023 Monthly Fees at the Project to 2021 dollars for purposes of comparison.
- (2) Entrance Fee pricing shown includes a \$70,000 Life Care Fee. Second persons would pay the \$70,000 Life Care Fee if the Type A plan is chosen.
- (3) In addition to the 100 percent refundable Type A plan shown above, Management plans to offer a 50 percent refundable and zero percent refundable Type A plan with Entrance Fees approximately 33 percent and 67 percent lower respectively than the 100 percent refundable Type A plan.
- (4) In addition to the Type A plan, Management plans to offer a 90 percent refundable Type C plan with Entrance Fees ranging from \$394,000 to \$550,000 for one-bedroom apartments and \$581,000 to \$863,000 for the two-bedroom apartments. Monthly fees are expected to be the same as the Type A plan.

Glenaire (Existing) and Glenaire (Project)

- (1) Glenaire is planning an expansion project on its campus to include 192 independent living units, 37 assisted living units, underground parking and associated common spaces including three new dining venues, a pottery studio, fine arts studio, music studio, auditorium/theater, chapel, climate-controlled storage units and wellness center. The new independent living units are 100 percent presold and anticipated to open in spring 2023.
- (2) Glenaire offers a Type B contract in which residents receive 14 free days of nursing care per year and pay 80 percent of the then-current monthly rates for assisted living and daily rates for nursing care (after utilization of the 14 free nursing care days).
- (3) Entrance fees shown reflect the 90 percent refundable plan. Glenaire also offers a zero percent refundable plan, in which entrance fees decline two percent per month over 48 months with a required four percent administrative fee, and a 50 percent refundable plan. Entrance fees under the zero percent refundable plan and the 50 percent refundable plan are approximately 47 percent and 21 percent lower, respectively, than the 90 percent refundable plan entrance fees shown.
- (4) An additional entrance fee of \$10,000 is required for apartments with a patio or balcony.
- (5) Monthly fees and daily fees shown for the assisted living units and nursing beds, respectively, are for direct admissions. Direct admissions into the assisted living units and nursing beds are required to pay an entrance fee of \$17,650 and \$12,475, respectively.

Notes to Table (continued)

Carolina Meadows

- (1) In addition to the monthly fees shown, residents are required to spend a minimum of \$250 per person per month in any of the six dining venues at the community.
- (2) Carolina Meadows offers an equity ownership model in which the proceeds from the re-sale of the units (less a five percent remarketing fee and seven percent refurbishing fee) is split 50-50 between the resident and Carolina Meadows.
- (3) Independent living residents receive assisted living and nursing care services under a fee-for-service contract and health care services are exclusive to independent living residents at the Carolina Meadows and not offered to residents from outside the community.

The Cedars of Chapel Hill

- (1) Independent living residents of The Cedars of Chapel Hill own their homes and pay a non-refundable, non-transferable club and community membership fee equal to 10 percent of the purchase price.
- (2) The Cedars of Chapel Hill offers an equity ownership for the independent living apartments and homes in which the resident receives 90 percent of the future re-sale value of the unit. Entrance fees shown reflect current re-sale values on available units and recently sold units only, while the square footage and monthly fees of the independent living units reflect the range of the entire inventory of independent living units. Independent living residents receive assisted living and nursing care services under a Type B contract in which residents receive 90 free days in the health care center and a discounted rate off of the health care rates shown thereafter.
- (3) The Cedars of Chapel Hill expanded its healthcare center from 48 to 78 beds in 2019. The 78-bed health care beds can be used for assisted living, memory care or nursing care depending on the needs of the resident.
- (4) Assisted living and nursing care services at The Cedars of Chapel Hill are “closed” to residents outside of the community. The range of rates shown for assisted living and nursing care reflect semi-private and private room accommodations.

Table 23
Rental Communities within the PMA

	The Reserve at Mills Farm	Woodland Terrace	Waltonwood Cary Parkway	Templeton of Cary
Location and Zip Code	Apex – 27523	Cary – 27511	Cary – 27511	Cary – 27518
Miles from the Community	4.0	5.2	6.1	6.5
Sponsor/Developer	Navion Senior Solutions, LLC	Kisco Senior Living	Waltonwood Senior Living	Liberty Healthcare Group, LLC
Year Opened	2020	2000	2010	2020
Type of Contract	Rental	Rental	Rental	Rental
For-Profit/Not-for-Profit	For-Profit	For-Profit	For-Profit	For-Profit
Unit Configuration				
<i>Independent Living Units (ILUs)</i>				
Studios	7	16	2	–
One-bedroom apartments	75	40	53	73
Two-bedroom apartments	16	24	67	126
Homes/Cottages/Villas	–	24	12	–
Total ILUs	98	104	134	199
<i>Assisted Living/Memory Care Units</i>	30 AL/24 MC	36 AL/44 MC	23 AL/17 MC	68 AL/22 MC
<i>Nursing Care Beds</i>	–	–	–	28
Independent Living				
<i>Square Footage</i>				
Studios	588 – 651	492	600	–
One-bedroom apartments	788 – 966	703 – 800	751 – 980	687 – 1,085
Two-bedroom apartments	1,177 – 1,358	975 – 1,300	989 – 1,183	1,209 – 1,599
Homes/Cottages/Villas	–	1,200 – 1,650	1,498	–
<i>Monthly Fees</i>				
Studios	\$3,850 – 3,950	\$3,465	\$4,000	–
One-bedroom apartments	\$4,500 – 4,795	\$4,971 – 5,425	\$4,600 – 5,100	\$4,400 – 5,800
Two-bedroom apartments	\$5,250 – 5,450	\$6,230 – 6,880	\$5,200 – 6,200	\$5,320 – 7,300
Homes/Cottages/Villas	–	\$6,900 – 7,300	\$6,390	–
2nd Person Monthly Fee	\$1,000	\$675	\$700 – 1,000	\$900
Community Fee	One month's rent	One month's rent	One month's rent	\$1,000
Assisted Living				
<i>Monthly Fee</i>	\$5,150 – 6,850	\$4,300 – 5,132	\$7,000 – 7,500	\$7,219
<i>Level of Care Fees</i>	\$400 – 1,650	\$1,430 – 2,990	\$495 – 2,800	
Memory Care				
<i>Monthly Fee</i>	\$7,050	\$3,000 – 4,000	\$7,400	\$7,450
<i>Level of Care Fees</i>	\$400 – 1,650	\$2,950 – 4,025	\$500 – 3,000	
Nursing Care				
<i>Daily Fee</i>	–	–	–	\$364
Occupancy Rate				
<i>Independent Living</i>	70%	88%	89%	33%
<i>Assisted Living/Memory Care</i>	100%/100%	100%/100%	100%/68%	63%/32%
<i>Nursing Care</i>	–	–	–	86%

Source: Competitor surveys conducted by DHG through August 2021.

Notes to Table:

The Reserve at Mills Farm

- (1) The Reserve at Mills Farm opened in July 2020 and is currently in fill-up.
- (2) The second person monthly fee for the assisted living units is \$1,500.
- (3) The monthly fees for medication management for the assisted living and memory care units ranges from \$250 to \$400.

Woodland Terrace

- (1) The second person monthly fee for the assisted living units is \$1,175.
- (2) There is a one-time, non-refundable community fee for the assisted living and memory care units of \$5,000.

Waltonwood Cary Parkway

- (1) Three levels of medication management are available in the assisted living and memory care units for the following monthly fees: Level I is \$400, Level II is \$500 and Level III is \$600.
- (2) The second person monthly fee for the assisted living and memory care units is \$2,000.

Templeton of Cary

- (1) The independent living units and healthcare center at Templeton of Cary opened in June 2020 and July 2020, respectively, and are in fill-up.
- (2) Nine of the 68 assisted living units are licensed as Multi-unit Assisted Housing w/Services ("MAHS") with a monthly fee of \$6,767.
- (3) Six additional levels of care are offered in the assisted living units for the following monthly fees: Level I is \$400, Level II is \$800, Level III is \$1,200, Level IV is \$1,600, Level V is \$1,600 and Level VI is \$2,000.
- (4) Two additional levels of care are offered in the memory care units for the following monthly fees: Level I is \$600 and Level II is \$1,800.

Table 24
Comparable Communities Near the PMA

	Galloway Ridge at Fearrington	The Forest at Duke	The Cypress of Raleigh
Location and Zip Code	Pittsboro – 27312	Durham – 27705	Raleigh – 27615
Miles from the Community	21.1	21.9	22.7
Sponsor/Developer	Galloway Ridge, Inc.	The Forest at Duke, Inc.	The Cypress of Raleigh, LLC / Life Care Services
Year Opened	2005	1992	2008
Type of Contract	Type A	Type B	Equity
For-Profit/Not-for-Profit	Not-for-Profit	Not-for-Profit	For-Profit
Unit Configuration			
<i>Independent Living Units (ILUs)</i>			
Studios	—	—	—
One-bedroom apartments	42	68	10
Two-bedroom apartments	206	86	272
Three-bedroom apartments	—	—	—
Homes/Cottages/Villas	52	81	37
Total ILUs	300	235	319
<i>Assisted Living/Memory Care Units</i>	36 AL/20 MC	34 AL	4 AL
<i>Nursing Care Beds</i>	40	58	57
Independent Living			
<i>Square Footage</i>			
Studios	—	—	—
One-bedroom apartments	815 – 1,095	553 – 914	813 – 1,122
Two-bedroom apartments	1,218 – 1,701	1,144 – 1,243	1,261 – 2,597
Three-bedroom apartments	—	—	—
Homes/Cottages/Villas	1,083 – 2,922	1,207 – 2,558	2,210 – 2,779
<i>Entrance Fees</i>			
Studios	—	—	—
One-bedroom apartments	\$370,000 – 486,000	\$97,970 – 191,417	\$350,000 – 395,000
Two-bedroom apartments	\$502,000 – 725,000	\$251,419 – 268,891	\$450,000 – 865,000
Three-bedroom apartments	—	—	—
Homes/Cottages/Villas	\$494,000 – 1,214,000	\$286,035 – 582,891	\$850,000 – 935,000
2 nd Person Entrance Fee	\$67,000	\$33,000	—
<i>Monthly Fees</i>			
Studios	—	—	—
One-bedroom apartments	\$3,358 – 4,317	\$3,442 – 4,514	\$2,647 – 2,929
Two-bedroom apartments	\$4,709 – 6,418	\$5,133 – 5,508	\$3,163 – 4,407
Three-bedroom apartments	—	—	—
Homes/Cottages/Villas	\$4,244 – 6,461	\$5,229 – 6,317	\$4,494 – 4,855
2 nd Person Monthly Fee	\$1,355	\$1,173	\$1,499
<i>Refund Options</i>	0%/75% (shown)	0%	Equity
Assisted Living			
<i>Monthly Fee</i>	—	\$9,223	\$4,836
<i>Level of Care Fee</i>	—	—	—
Memory Care			
<i>Monthly Fee</i>	—	—	—
<i>Level of Care Fee</i>	—	—	—
Nursing Care			
<i>Daily Rate</i>	—	\$459	\$204 – 342
Occupancy Rate			
<i>Independent Living</i>	97%	95%	100%
<i>Assisted Living</i>	78%/50%	63%	75%
<i>Nursing Care</i>	55%	78%	82%

Source: Detailed competitor surveys conducted by DHG through August 2021.

Notes to Table:

Galloway Ridge at Fearington (“Galloway Ridge”)

- (1) Galloway Ridge offers a Type A contract in which residents who transfer either temporarily or permanently to assisted living and nursing care would continue to pay their then current monthly fee plus the cost of two extra meals and any ancillaries services received. In the event of double occupancy, the resident who is transferred to the healthcare center would pay the then second person monthly fee, plus the cost of two extra meals and ancillary fees.
- (2) The entrance fees for the zero percent refundable plan, the most popular plan at Galloway Ridge, range from \$231,000 to \$453,000 for the independent living apartments and range from \$309,000 to \$759,000 for the villas. The second person entrance fee for the zero percent refundable fees is \$45,000. The monthly fees are the same under both plans.
- (3) Do not accept direct admissions into the assisted living, memory care and nursing units. The healthcare center is for lifecare residents only.
- (4) Fourteen of the 36 assisted living units are licensed as Multi-Unit Assisted Housing with Services Units.

The Forest at Duke

- (1) The Forest at Duke is currently replacing the existing assisted living, memory care and nursing units with a new replacement health care facility. The replacement health care facility would include 32 new assisted living beds and 58 new nursing beds in a five-story building. Construction on the replacement health care facility commenced in June 2021 with an estimated completion date in fall 2022. In addition, the Forest at Duke is contemplating the addition of up to 75 new independent living apartments. Timing for the new independent living units has not been determined at this time.
- (2) Prior to March 1, 2020, the Forest at Duke offered a 50 percent refundable plan and 90 percent refundable plan. These plans are no longer offered to prospective residents.
- (3) The entrance fee includes a residence fee and a health care reserve fee of \$10,000. Two percent of the residence fee amortizes per month and decreases to zero after 50 months of occupancy. The health care reserve fee is non-refundable.
- (4) Fifteen of the two-bedroom apartments ranging from 2,200 to 2,558 square feet have a second person fee of \$1,696.
- (5) Independent living residents under a Type B contract receive 15 pre-paid days in the health care center. For temporary stays in the health care center, after the 15 prepaid days are used, the resident would be required to pay the monthly fee of his or her independent living unit plus 60 percent of the monthly or daily fee in the health care center. Residents permanently transferring to the health care center would pay 40 percent of the monthly or daily fee in the health care center.

The Cypress of Raleigh

- (1) Fifty-seven of the independent living units and 21 nursing beds shown opened for occupancy in October 2020.
- (2) Residents of The Cypress of Raleigh receive 90 free lifetime days in healthcare. After the 90 free lifetime days, residents pay a discounted rate for assisted living and skilled nursing care. The discount for assisted living is approximately 50 percent and the discount for skilled nursing care is approximately 38 percent.
- (3) The entrance fees shown are purchase prices based on resales. Approximately 75 percent of the monthly fee is designated for services and the remaining 25 percent is the condominium fee.
- (4) The Cypress of Raleigh is not accepting direct admissions into its healthcare center.
- (5) Companion suites are available in assisted living for \$3,924 per month for contracted residents.

Non-Comparable Independent Living Communities

The following table profiles six rental, for-profit independent living communities within the PMA that are not considered to be comparable to the Community due to limited or the lack of healthcare services. These communities are shown for informational purposes only and are not included in the penetration rate analyses that follow.

Table 25							
Non-Comparable Independent Living Communities within the PMA							
Community	Distance from the Community	Year Opened	Number of Units				Operator
			IL	AL	MC	NB	
The Manor Village at Preston	3.2	2010	166	–	–	–	Southeast Retirement
Cambridge Village of Apex	5.6	2011	222	–	–	–	Oliver Development Company
Stoneridge Retirement Residence	6.4	2016	126	–	–	–	Hawthorn Retirement Group
Jordan Oaks	8.6	2004	117	–	–	–	Holiday Retirement
Bartlett Reserve	9.8	2001	100				Navion Senior Solutions
Atria Southpoint Walk	13.7	2009	95	20	–	–	Atria Senior Living

Source: NIC MAP® Data Service, August 2021

FP = For-Profit

Comparable Retirement Communities Planned or Under Development within or near the PMA

Based on discussions with representatives of the local planning and permitting agencies and interviews with management at existing retirement communities, other than the Project, there is one planned expansion at an existing community within the PMA. In addition, there is one comparable community near the PMA planning an expansion.

Within the PMA

Glenaire, an existing community located approximately five miles southeast of the Community, is planning an expansion to its existing campus to include approximately 192 independent living apartments and 37 assisted living units. All of the proposed independent living units are currently presold with 10 percent deposits. Construction of the project began in fall 2020 and is anticipated to be completed in 2023.

Near the PMA

Cardinal at North Hills, an existing rental community approximately 17 miles east of the Community, currently offers 165 independent living units, 27 assisted living units, 18 memory care units and 15 skilled nursing beds. The community has submitted a Step II filing with the Department for the addition of 151 independent living units and 40 assisted living units. The independent living units are expected to be in one- and two-bedroom configurations ranging from 958 to 2,300 square feet with anticipated monthly fees ranging from approximately \$6,400 to \$10,000. Construction commenced in December 2020 and the project is anticipated to open for occupancy in summer 2023. *Due to its location outside of the PMA, the planned project at Cardinal at North Hills has been disclosed for informational purposes only and is not included in the following penetration rate analysis.*

Non-Comparable Retirement Communities Planned or Under Development within the PMA

Based on discussions with representatives of the local planning and permitting agencies, there are three new communities under development within the IL PMA that are not considered comparable to the Community. These communities have been disclosed for informational purposes only and have not been included in the following penetration rate analysis due to the absence of assisted living, memory care or nursing services.

Brier Pointe, a new rental independent living community under development by Resort Lifestyles Communities, is to be located approximately four miles north of the Community at the corner of Town Hall Drive and McCrimmon Parkway in Morrisville. Resort Lifestyles Communities has approximately 50 existing communities or communities under construction throughout most of the United States. Brier Pointe is expected to include 128 independent living units in a three-story building on approximately 10 acres. The community is expected to include live-in managers and is to provide meals, housekeeping, maintenance, activities and more. Construction on Brier Point commenced in February 2021 and the community is expected to open in summer 2022.

Atria Cary, a new rental independent living community under development by Atria Senior Living, is to be located approximately seven miles southeast of the Community at 7000 Regency Parkway in Cary. The community is expected to include 138 independent living units in a four-story residence in one- and two-bedroom configurations. Amenities are to include two dining venues, indoor pool, full-service salon and spa, fitness center, wine bistro, art studio, library and wellness center. Monthly fees are anticipated to start at \$5,065 per month. Atria Cary is currently under construction and anticipated to be available in late 2021 or early 2022.

The Cambridge at Brier Creek (“Cambridge”), to be located approximately 17 miles northeast of the Community on approximately six acres at the corner of T.W. Alexander Drive and Brier Creek Parkway in northwest Raleigh, is a planned rental retirement community that is expected to include 205 independent living units in one- and two-bedroom configurations. Cambridge is expected to offer health care services through on-site services including care and management of medical issues; hands-on pain management; and lab testing, x-rays, prescribing and dispensing of medication. Construction of Cambridge commenced in September 2020 and is expected to be completed in winter 2021.

Summary of Independent Living Units

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

Table 26				
Summary of Independent Living Units within and near the PMA				
Comparable Communities	Existing	Percent Competitive	Total Existing Competitive	Planned
<u>Existing Communities</u>				
<u>Entrance Fee Units</u>				
<i>Within the PMA:</i>				
Glenaire	224	100%	224	192
Carolina Meadows	443	100%	443	—
The Cedars of Chapel Hill	306	100%	306	—
<i>Near the PMA:</i>				
Galloway Ridge ⁽¹⁾	300	50%	150	—
Forest at Duke ⁽¹⁾	235	50%	118	—
Cypress of Raleigh ⁽¹⁾	319	25%	80	—
Total Entrance Fee Units	1,827		1,321	192
<u>Rental Units</u>				
<i>Within the PMA:</i>				
The Reserve at Mills Farm	98	100%	98	—
Woodland Terrace	104	100%	104	—
Waltonwood Cary Parkway	134	100%	134	—
Templeton of Cary	199	100%	199	—
Total Rental Units	535		535	—
Subtotal Existing Units	2,362		1,856	192
<i>The Community/The Project⁽²⁾</i>				
	169	100%	169	152
Total Units	2,531		2,025	344

Source: Management and competitor surveys conducted by DHG through August 2021.

- (1) Galloway Ridge, Forest at Duke and Cypress of Raleigh are located outside of the PMA; however, based on discussions with management of the communities it has been determined that these communities draw a portion of their residents from the PMA. Therefore, 50 percent of the independent living units at Galloway Ridge and Forest at Duke and 25 percent of the independent living units at Cypress of Raleigh are included in the penetration rate analysis that follows.

Independent Living Penetration Analysis

Penetration rates are one measure of the degree to which the PMA are 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 that 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 New Independent Living Units by the number of age- and income-qualified households in the PMA. Seniors currently living in competitive 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 year the New Independent Living Units are expected to be available for occupancy (2023).

Net Market Penetration Rate (Absorption Rate) – The Net Market Penetration Rate is the percentage of age- and income-qualified households that 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 Community, 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 New Independent Living Units are expected to be available for occupancy (2023).

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.

These 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 Community, 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 New Independent Living Units are expected to capture upon opening in order to achieve stabilized occupancy, assuming an annual income of \$75,000 and higher and \$100,000 and higher, based upon demographic projections for 2023.

Table 27		
Independent Living Project Penetration Rate – 2023		
Age 75 and over	Annual Income \$75,000+	Annual Income \$100,000+
Planned units at the Project	152	152
Percentage of units to be filled from the PMA ⁽¹⁾	55%	55%
Planned units to be filled from the PMA	84	84
Percentage of units to be filled by age 75 and older ⁽¹⁾	80%	80%
Planned units to be filled by age 75 and older	67	67
Total units at the Project to be filled at 95% occupancy (a)	64	64
Number of age- and income-qualified households ⁽²⁾	5,455	3,807
Less: Existing inventory of available comparable units ⁽³⁾	(2,106)	(2,106)
Net number of age- and income-qualified households (b)	3,349	1,701
Project Penetration Rate (a/b)	1.9%	3.8%

Source: Management and Claritas, Inc.

(1) Based on Depositor origin information as of August 31, 2021.

(2) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Claritas, Inc.

(3) Taking into consideration the percent of units competitive at each community, reflects the 2,025 existing independent living units (including the Community) and the 192 planned independent living units in the PMA at 95 percent occupancy (2,106 units) to be available for occupancy by 2023.

The following table presents the Net Market Penetration Rates for the year the New Independent Living Units are expected to open (2023) and indicates 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, assuming an annual income of \$50,000 and higher and \$75,000 and higher, based on the annual income required to move into the comparable independent living units. The number of age- and income-qualified households is based on 2010 Census data and interpolated for 2023.

Table 28
Net Market Penetration Rates – 2023

	Income \$50,000 and Above	Income \$75,000 and Above
Age 75 and Above		
Planned units in the PMA		
The Project	152	152
Other planned units ⁽¹⁾	192	192
Total planned units	344	344
Percent of units to be occupied by age 75 and older ⁽²⁾	80%	80%
Total planned units to be occupied by age 75 and older	275	275
Total planned units to be occupied at 95% occupancy from the PMA	261	261
Unoccupied existing comparable units to be filled within the PMA ⁽³⁾	132	132
Total existing units available due to attrition ⁽⁴⁾	301	301
Total units to be occupied	694	694
Percent of units to be occupied from the PMA ⁽²⁾	55%	55%
Total units to be occupied from within the PMA by 75 and older (a)	382	382
Estimated number of age- and income-qualified households ⁽⁵⁾	8,063	5,455
Less: Existing inventory of available comparable units ⁽⁶⁾	(1,924)	(1,924)
Estimated number of age- and income-qualified households (b)	6,139	3,531
Net Market Penetration Rates (a/b)	6.2%	10.8%

Source: Management and Claritas, Inc.

(1) Reflects the 192 planned independent living units at Glenaire.

(2) Based upon Depositor origin information provided by Management as of August 31, 2021.

(3) Based on the occupancy of the existing independent living units at the existing providers in the PMA, 132 additional existing units would need to be filled to achieve 95 percent occupancy at comparable existing communities in the PMA.

(4) Reflects the 1,490 existing entrance fee units in the PMA (including the Community and adjusted for percent competitive) at 95 percent occupancy, assuming 13.1 percent attrition (185 units) and the 535 existing rental units in the PMA at 95 percent occupancy, assuming 22.9 percent attrition (116 units) for a total of 301 units available due to attrition. (Source: State of Seniors Housing, 2012).

(5) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Claritas, Inc.

(6) Reflects the 2,025 existing independent living units in or near the PMA (including the Community and adjusting for percent competitive) at 95 percent occupancy (1,924 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 an annual income of \$50,000 and higher and \$75,000 and higher, based on the annual income required to move into the comparable independent living units. The Gross Market Penetration Rate is presented as a range for the current year (2021) and the projected year (2026) in order to show the rate of change between years.

Table 29
Independent Living Gross Market Penetration Rate

	Income \$50,000+		Income \$75,000+	
Age 75 and Above	2021	2026	2021	2026
Market inventory of retirement communities:				
The Community	169	169	169	169
The Project	—	152	—	152
Comparable retirement communities				
Existing units	1,856	1,856	1,856	1,856
Proposed units ⁽¹⁾	—	192	—	192
Total units in the PMA	2,025	2,369	2,025	2,369
Percent of units to be occupied from the PMA ⁽²⁾	55%	55%	55%	55%
Total units to be occupied from the PMA	1,114	1,303	1,114	1,303
Total units to be filled at 95% occupancy (a)	1,058	1,238	1,058	1,238
Number of age- and income-eligible households (b)	7,033	9,610	4,647	6,668
Gross Market Penetration Rate – PMA (a/b)	15.0%	12.9%	22.8%	18.6%

Source: Management and Claritas, Inc.

(1) Reflects the 192 planned independent living units at Glenaire.

(2) Based on Depositor origin information as of August 31, 2021.

Marketing the Project

The success of the New Independent Living Units is dependent, in part, on the ability of Management and the Development Consultant to achieve specified pre-sales, fill-up rates and turnover rates for the New Independent Living Units.

Management began accepting \$500 fully refundable priority deposits for the New Independent Living Units in September 2019 and began converting priority deposits to Entrance Fee Deposits in October 2020. As of August 31, 2021, 123 New Independent Living Units were reserved by 120 Depositors, representing approximately 81 percent of the 152 New Independent Living Units.

The following table presents the total number of New Independent Living Units reserved by month reported by Management, as of August 31, 2021.

Table 30					
Marketing of the New Independent Living Units					
Year	Number of Units Reserved	Number of Cancellations/ Refunds	Net Reservations for Month	Cumulative Units Reserved	Cumulative Percentage of Total Units
2020:					
October ⁽¹⁾	70	—	70	70	46.1%
November	16	—	16	86	56.6%
December	3	—	3	89	58.6%
2021:					
January	2	(2)	—	89	58.6%
February	3	(1)	2	91	59.9%
March	3	(1)	2	93	61.2%
April	12	(1)	11	104	68.4%
May	5	(1)	4	108	71.1%
June	8	(1)	7	115	75.7%
July	8	(2)	6	121	79.6%
August ⁽²⁾	3	(1)	2	123	80.9%
Total⁽³⁾	133	(10)	123	123	80.9%

Source: Management

(1) Conversion of the priority list to Depositors began in October 2020.

(2) As of August 31, 2021, 120 Depositors have reserved 123 units out of a total of 152 New Independent Living Units.

(3) Five Depositors are Residents of the Community, and one Depositor is a member of the Board.

The following table presents the total number and type of available New Independent Living Units in relation to the New Independent Living Units reserved with an Entrance Fee Deposit as of August 31, 2021.

Table 31
Inventory of New Independent Living Units

Unit Type	Square Footage	Total Units	Number of Units Sold	Percentage of Available Units Sold
One Bedroom Apartments				
Meredith	937	1	1	100.0%
Shaw	1,032	4	4	100.0%
Freelon	1,067	5	4	80.0%
Finley ⁽¹⁾	1,148	16	11	68.8%
Merritt	1,187	4	4	100.0%
Frazier	1,235	1	1	100.0%
Murray	1,248	4	2	50.0%
McFadden	1,260	3	3	100.0%
Burke	1,304	4	4	100.0%
Subtotal One Bedroom Apartments		42	34	81.0%
Two Bedroom Apartments				
Franklin	1,339	14	12	85.7%
Madison	1,398	4	4	100.0%
Demille	1,411	8	8	100.0%
Taylor	1,419	7	1	14.3%
Alston	1,487	4	2	50.0%
Gardner	1,522	16	13	81.3%
Simone	1,522	6	2	33.3%
Brinkley	1,561	8	4	50.0%
Miller	1,656	1	1	100.0%
Walter	1,641	6	6	100.0%
Valvano	1,651	4	4	100.0%
Ogle	1,663	1	1	100.0%
Wolfe	1,681	12	12	100.0%
Timberlake	1,714	4	4	100.0%
Bennett	1,743	4	4	100.0%
Page	1,761	4	4	100.0%
Coltrane	1,794	3	3	100.0%
Yates	1,943	4	4	100.0%
Subtotal Two Bedroom Apartments		110	89	80.9%
Total New Independent Living Units		152	123	80.9%

Source: Management

(1) Three Depositors have each reserved two Finley units.

Independent Depositor Confirmation

An independent confirmation process was performed by DHG through survey process to the 120 Depositors (reserving 123 New Independent Living Units). Depositor surveys were distributed beginning on July 12, 2021. As of September 9, 2021, 117 of the 120 Depositors (98 percent) had completed the questionnaire. The following information was compiled for the 117 completed questionnaires.

- 100 (100 percent) of the respondents indicated that they had paid an Entrance Fee Deposit for their New Independent Living Unit.
- 103 (88 percent) indicated that they intend to reside at the Community and 14 respondents (12 percent) were unsure whether they would reside at the Community.
- 24 (21 percent) indicated that they expect to reside alone and 93 (79 percent) indicated that they expect to reside with a spouse, relative or friend.
- 107 (92 percent) indicated that they currently own their home and 72 (67 percent) of the 107 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 Community.

Thirty-seven (32 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. Twenty-one of the 37 respondents indicated they intend to move into a New Independent Living Unit, one respondent indicated he or she intended to move into an Existing Independent Living Unit and 15 of the 37 respondents indicated they were unsure whether they would move into a New 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 32
Deposits at Other Communities

Community	Location	Number of Deposits	Amount of Deposit				
			Less than \$1,000	\$1,000 – \$4,999	\$5,000 – 35,000	\$35,000 or greater	Not specified
Glenaire	Cary	13	–	2	–	11	–
Galloway Ridge	Pittsboro	5	3	2	–	–	–
The Cypress of Raleigh	Raleigh	4	–	4	–	–	–
Croasdaile Village	Durham	3	–	3	–	–	–
Carolina Meadows	Chapel Hill	2	–	2	–	–	–
The Forest at Duke	Durham	2	1	1	–	–	–
Searstone – Existing	Cary	1	–	–	–	–	1
The Cedars of Chapel Hill	Chapel Hill	1	–	1	–	–	–
The Templeton of Cary	Cary	1	–	1	–	–	–
Other Communities in NC	–	12	3	5	4	–	–
Out of State Communities	–	2	–	1	–	1	–
Did Not Specify	–	2	–	–	–	–	2
Total ⁽¹⁾		48	7	22	4	12	3

Source: Questionnaire responses

(1) Nine respondents have deposits at two communities and one respondent has deposits at three communities.

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

Table 33		
Payment on Balance of Entrance Fee		
	Number of Respondents	Percentage of Respondents
Using cash reserves or savings	73	62.4%
Using proceeds from the sale of home	72	61.5%
Using proceeds from the sale of investments	57	48.7%
Other/did not respond	5	4.3%

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 intend to move into their New Independent Living Unit after it becomes available:

Table 34		
Move-ins After Unit Becomes Available		
	Number of Respondents	Percentage of Respondents
1 – 30 days	30	25.6%
31 – 60 days	25	21.4%
61 – 90 days	15	12.8%
After the sale of home	27	23.1%
Other	20	17.1%
Total	117	100.0%

Source: Questionnaire responses

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

Table 35
Community Suitability

	Number of Respondents⁽¹⁾	Percentage of Respondents
Access to healthcare	85	72.6%
Reputation of Searstone	81	69.2%
Geographic location	78	66.7%
Proximity to friends and relatives	74	63.2%
Social activities	71	60.7%
Other	15	12.8%

Source: Questionnaire responses

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

Depositor File Vouching

DHG read Management's policies and procedures for accepting Depositors and confirmed that each Depositor met Management's criteria. DHG performed the following procedures regarding the 120 Depositors (123 New Independent Living Units) for the Project:

- Confirmed 119 Depositors (99 percent) to have a Residency Agreement executed by both the Depositor(s) and the Corporation;
- Confirmed 100 percent to include copies of a deposit check equal to the Entrance Fee Deposit for the selected New Independent Living Unit and plan;
- Confirmed 100 percent that the amount of the Entrance Fee and the Monthly Fee matched the New Independent Living Unit and plan selected; and
- Based on reported income and asset levels, confirmed that 100 percent of the Depositors met Management's asset and income qualification test, or displayed sufficient financial resources as approved by Management.

In addition to the above, DHG reconciled the Entrance Fee Deposits to an escrow account statement through August 31, 2021.

The following table presents information regarding the self-reported assets (including home values) before payment of the Entrance Fee and estimated annual income of the 120 Depositors as of August 31, 2021.

Table 36
Reported Annual Income and Assets of Depositors

	Assets				Total	Percent of Total
	Less than \$2,000,000	\$2,000,000 to \$3,499,999	\$3,500,000 to \$4,999,999	\$5,000,000 and greater		
Less than \$75,000	6	14	4	8	32	26.7%
\$75,000 to \$99,999	2	6	5	4	17	14.2%
\$100,000 to \$149,999	10	9	11	1	31	25.8%
\$150,000 to \$199,999	2	11	2	4	19	15.8%
\$200,000 and greater	2	4	4	11	21	17.5%
Total ⁽¹⁾	22	44	26	28	120	100.0%
Percent of Total	18.3%	36.7%	21.7%	23.3%	100.0%	

Source: Depositor applications

(1) The median asset amount of the 120 Depositors who reported their financial information is approximately \$3,205,000 and the median annual income amount is approximately \$121,000.

Description and Utilization of Assisted Living

Adult Care Homes (“ACH”) and Multi-Unit Assisted Housing with Services (previously defined as “MAHS”) are regulated by the Department of Health and Human Services (“DHHS”), under Chapter 131D, Article 1 of the North Carolina General Statutes and Title 10A, Subchapter 13F of the North Carolina Administrative Code. The North Carolina Medical Care Commission has rulemaking authority over Adult Care Homes. According to DHHS, most assisted living facilities are licensed as Adult Care Homes.

ACHs, licensed by DHHS, are defined as assisted living residences in which the housing management provides 24-hour scheduled and unscheduled personal care services to two or more residents, either directly or for scheduled needs, through formal written agreement with licensed home care or hospice agencies.

DHHS defines MAHS as an assisted living residence in which hands-on personal care services and nursing services which are arranged by housing management are provided by a licensed home care or hospice agency through an individualized written care plan. Residents must not be in need of 24-hour supervision. MAHS program providers do not require a CON or licensure; however, they must register with DHHS and provide a Disclosure Statement.

For the purpose of the report, the term “assisted living” is utilized to denote both licensed ACH and unlicensed MAHS. Management does not consider foster homes or assisted living facilities with less than 20 beds or lower fee structures to be considered comparable to the assisted living units at the Community.

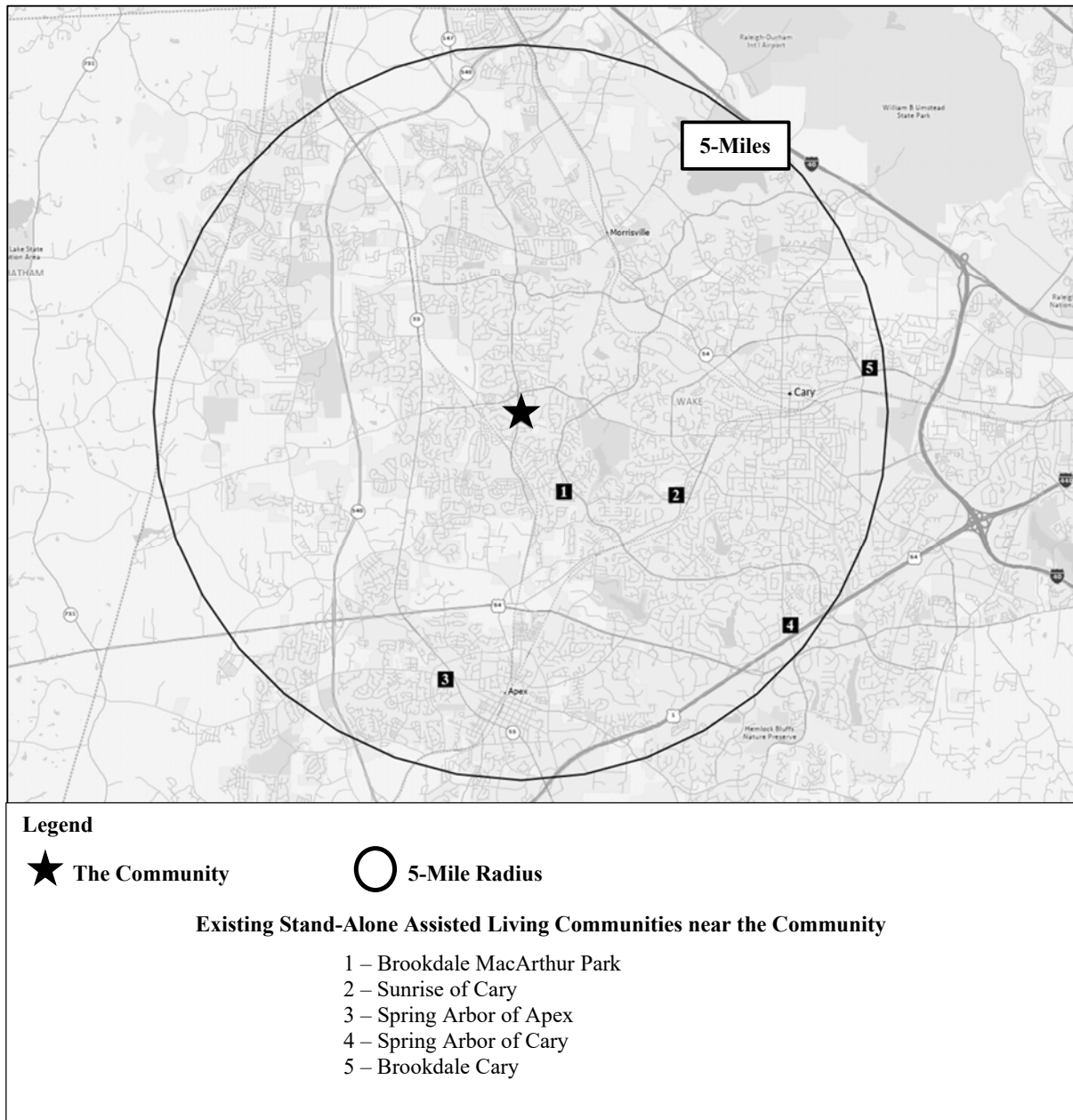
For purposes of determining bed need and issuing CONs, DHHS reviews each application on a case by case basis and applies a bed need methodology to the corresponding county’s bed need. The following factors are used to determine projected bed need by county: bed-to-population ratios, reasonable levels of geographic access for the population, and beds developed as part of a CCRC.

The Corporation has received a CON and license from DHHS for the Existing Assisted Living Units. The Corporation has applied for but not received a CON for the New Assisted Living Units; development of those units may not commence until the CON has been received. DHHS will not issue a license for the New Assisted Living Units until development of those units has been completed and they otherwise comply with DHHS licensing requirements. The Assisted Living Units are closed beds and are only available for Residents transferring from an Independent Living Unit.

Comparable Assisted Living Communities

Seniors requiring health care such as assisted living services generally originate from a smaller geographic area because of the more immediate, need-driven nature of these services. The Assisted Living Units are anticipated to be filled internally from residents of the Community moving through the continuum.

The following map depicts the Community and the five closest comparable stand-alone assisted living communities to the Community.



The following table identifies the five closest comparable assisted living communities to the Community and summarizes the number of units, unit square footage, the percentage occupied, and current monthly fees of the comparable facilities based on surveys conducted through August 2021.

Table 37
Assisted Living Communities near the Community

Facility Name	Miles from the Community	Year Opened	Number of Assisted Living Units	Number of Memory Care Units	Square Footage	Occupancy Percentage	Assisted Living Monthly Fees	Memory Care Monthly Fees
The Community	–	1999	14	–	527	87%	\$7,071	–
The Project	–	2023	15	14	391 – 550	–	\$6,743	\$7,075
Brookdale MacArthur Park	1.5	1996	42	13	300 – 390	96%	\$5,095 – 6,845	\$7,095
Sunrise of Cary	3.5	2009	46	26	350 – 700	83%	\$4,654 – 5,840	\$6,996
Spring Arbor of Apex	5.0	2000	56	20	275 – 475	89%	\$5,500 – 6,000	\$7,950
Spring Arbor of Cary	6.3	2017	40	28	334 – 540	89%	\$5,000 – 7,000	\$7,000 – 8,000
Brookdale Cary	6.6	1996	–	44	236 – 273	95%	–	\$9,295
Total/Weighted Average (excluding the Community and the Project)			184	131		90%		
Total/Weighted Average (including the Community and the Project)			213	145		94%		

Source: Surveys conducted by DHG through August 2021.

Notes to Table:

The Community/Project

- (1) Occupancy of the Existing Assisted Living Units as of June 30, 2021.
- (2) The Monthly Fees shown have been deflated three percent from the anticipated 2023 Monthly Fees at the Project to 2021 dollars for purposes of comparison.

Brookdale MacArthur Park

- (1) A one-time, non-refundable community fee of \$3,500 is required upon move-in.
- (2) The monthly fee for assistance with activities of daily living is based on an assessment and is a la carte for both assisted living and memory care. The maximum care cost for assisted living and for memory care is \$2,975 and \$3,400, respectively.
- (3) Mediation management monthly fees range from \$560 to \$590.

Sunrise of Cary

- (1) A one-time, non-refundable community fee of \$3,000 is required upon move-in.
- (2) Companion suites are available for the following monthly fees: \$3,468 for an assisted living unit and \$3,954 for a memory care unit.
- (3) Four additional levels of care are offered in the assisted living units ranging from \$730 to \$3,650 per month.
- (4) Four additional levels of care are offered in the memory care units ranging from \$1,795 to \$4,563 per month.
- (5) Mediation management monthly fees range from \$517 to \$1,065.

Spring Arbor of Apex

- (1) A one-time, non-refundable community fee of \$2,500 is required upon move-in.
- (2) Companion suites are as follows: \$4,004 per month for an assisted living unit and \$5,819 for a memory support unit.
- (3) Six additional levels of care are offered in the assisted living and memory care units for the following monthly fees: Level I is \$175, Level II is \$375, Level III is \$575, Level IV is \$750, Level V is \$950 and Level VI is \$1,550.

Spring Arbor of Cary

- (1) A one-time, non-refundable community fee of \$2,500 is required upon move-in.
- (2) The monthly fee for a companion suite in memory care is \$5,500. Companion suites are not offered in assisted living.
- (3) There are six levels of care in assisted living that range from \$200 to \$1,600. There are two levels of care in memory care: \$1,300 for Level I and \$1,600 for Level II.

Brookdale Cary

- (1) The monthly fee is all-inclusive.
- (2) A \$3,500 non-refundable community fee is required for move-in.
- (3) The second person fee is \$2,000 per month.
- (4) Memory care assisted living shared suites are available for \$8,195 per month.

See Independent Accountants' Examination Report

Planned Assisted Living and Memory Care Communities Planned Near the Community

Based on discussions with representatives of the local planning agencies and interviews with existing assisted living facilities and retirement communities, there are no stand-alone assisted living communities planned near the Community.

Description and Utilization of Nursing Care

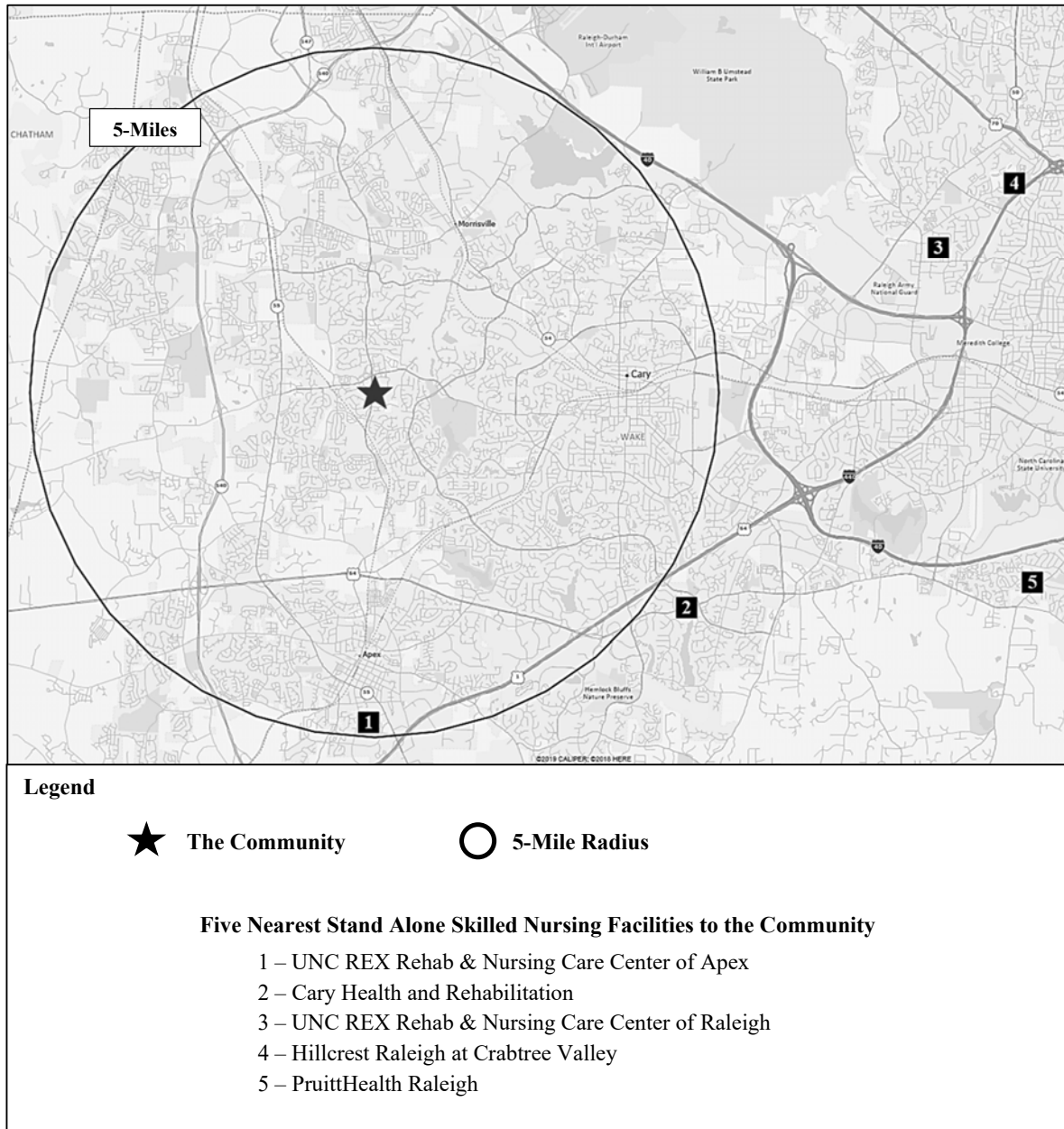
DHHS licenses and regulates skilled nursing facilities. Nursing facilities are defined under the North Carolina Nursing Home Licensure Act (Part 1 of Article 6, Chapter 131E of the North Carolina General Statutes) (the “North Carolina Nursing Home Licensure Act”) and Title 10 of the North Carolina Administrative Code as facilities that provide nursing or convalescent care for three or more persons, unrelated to the licensee. According to the North Carolina Nursing Home Licensure Act, a nursing home provides care for persons who have remedial ailments or other ailments for which medical and nursing care are required, but who are not sick enough to require general hospital care.

There is currently a CON requirement for new nursing beds under the State Medical Facilities Plan. The Corporation has received a CON and license from DHHS for the Existing Skilled Nursing Beds. The Corporation has applied for but not received a CON for the New Skilled Nursing Beds; development of those beds may not commence until the CON has been received. DHHS will not issue a license for the New Skilled Nursing Beds until development of those beds has been completed and they otherwise comply with DHHS licensing requirements.

The Skilled Nursing Beds are closed beds. The Corporation only admits Residents transferring from an Independent Living Unit, Assisted Living Unit, or Memory Care Unit into the Skilled Nursing Beds.

Comparable Skilled Nursing Facilities

The Nursing Beds are anticipated to be filled internally by residents in the Community moving through the continuum. The following map shows the Community and the five closest stand-alone skilled nursing facilities to the Community.



The following table identifies the Community and the five closest stand-alone existing skilled nursing facilities to the Community and summarizes the number of beds, type of beds and the percentage occupied at the comparable facilities based on research and surveys conducted through August 2021.

Table 38
Existing Nursing Facilities Near the Community

Facility Name	Driving Miles from the Community	Year Opened	Total Beds	Current Occupancy	Daily Rates		Payor Mix			Medicare Star Rating ⁽¹⁾
					Private	Semi-private	Medicare	Medicaid	Private/Other	
The Community ⁽²⁾	—	2013	25	40%	\$435	—	—	—	100%	N/A
The Project ⁽³⁾	—	2023	24	—	\$442	—	—	—	100%	N/A
UNC REX Rehab and Nursing Care Center of Apex	5.5	2000	107	84%	\$250	\$230	23%	—	77%	5 Stars
Cary Health and Rehabilitation	7.2	1989	120	83%	\$362	\$311	8%	74%	18%	1 Stars
UNC REX Rehab and Nursing Care Center of Raleigh	12.0	1991	120	77%	\$250	\$230	24%	47%	28%	5 Stars
Hillcrest Raleigh at Crabtree Valley	13.1	1985	134	66%	\$414	\$360	38%	37%	25%	4 Stars
PruittHealth – Raleigh	14.0	2006	150	55%	\$335	\$285	17%	46%	37%	1 Stars
Total/Weighted Average (excluding the Community and the Project)			631	72%						

Source: DHHS, CMS, Medicare.gov Nursing Home Compare, August 2021

N/A = Not applicable

- (1) The Medicare Nursing Home Five Star Quality Rating System 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) Occupancy of the Skilled Nursing Beds as of June 30, 2021.
- (3) The Daily Fee shown has been deflated three percent to 2021 dollars for purposes of comparison.

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 beds to be located near the Community.

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) Use of Estimates

The preparation of prospective financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the prospective financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Deferred Costs

Management has implemented ASU No. 2014-09 "Revenue from Contracts with Customers" and adjusted the treatment of deferred marketing costs. Previously, all marketing costs incurred by the Corporation in acquiring initial Resident contracts were capitalized and amortized on a straight-line basis over a period of the approximate average life expectancy of the initial Residents. Under the Standard, only incremental marketing expenditures incurred specifically to obtain the Resident contract can be capitalized.

Costs associated with the issuance of the Series 2016 Bonds, the Series 2017 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 Bonds are assumed to be capitalized and amortized over the expected life of the Series 2016 Bonds, the Series 2017 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 Bonds using the effective interest method. Debt issuance costs are netted against the related debt on the respectively forecasted balance sheets and the amortization is included in interest expense on the forecasted statements of operations.

(d) 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.

(e) 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 (assumed to be high-grade debt 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.

(f) Investment Income

Investment income, other than that capitalized as part of project costs, is reported as realized on operating revenue unless restricted by donor or law. Management does not project any unrealized gains or losses on investments.

(g) 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.

(h) Deferred Revenue from Advance Fees

The non-refundable advance fees received are recorded as deferred revenue and are recognized as operating income using the straight-line method over the estimated remaining life expectancy of the residents in the Independent Living Units, adjusted annually as determined by actuarial life expectancy tables.

(i) Refundable Entrance Fees

The refundable portion of the Entrance Fee is maintained as a liability, reflecting the Corporation's future obligation for repayment.

(j) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid securities with an original maturity of three months or less when purchased.

(k) 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. For purposes of the forecast, Management has implemented ASU 2014-09.

(l) Restricted Cash

In 2019, Management 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 forecasted statements of cash flows.

(m) Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

(n) Net Assets

The Corporation classifies its net assets as net assets with or without donor restrictions:

- Net assets without donor restrictions - resources of the Corporation that are not restricted by donors or grantors as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and the investment in property and equipment.
- Net assets with donor restrictions - resources that are subject to donor-imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those satisfied by the passage of time or actions of the Corporation. Other donor imposed restrictions stipulate that donated assets be maintained in perpetuity, but may permit the Corporation to use or expend part or all of the income derived from the donated assets.

Summary of Revenue and Entrance Fee Assumptions

Independent Living Revenue

Resident service revenue is based upon charges for services provided to Residents of the Independent Living Units. Resident service revenue for independent living Residents is based upon the assumed occupancy and the Monthly Fees of the respective units. Management assumes the Existing Independent Living Unit's Monthly Fees will increase 4.00 percent on January 1, 2022, 3.75 percent on January 1, 2023, 3.50 percent on January 1, 2024, 3.25 percent on January 1, 2025, and 3.0 percent on January 1, 2026. Management assumes the New Independent Living Unit's Monthly Fees will increase 3.5 percent on January 1, 2024, 3.25 percent on January 1, 2025, and 3.0 percent on January 1, 2026.

Assumed Independent Living Utilization

The Existing Independent Living Units are assumed to maintain approximately 95 percent occupancy throughout the forecast period. New Independent Living Unit occupancy of approximately 93 percent is assumed to be achieved by April 2026 and remain constant at that level throughout the remainder of the forecast. The following table summarizes the historical and forecasted utilization of the Existing Independent Living Units and the New Independent Living Units.

Table 39
Utilization of the Existing Independent Living Units and New Independent Living Units

Fiscal Year Ending December 31,	Existing Independent Living Units			New Independent Living Units			Total ILU
	Average Occupied	Average Available	Average Occupancy	Average Occupied	Average Available	Average Occupancy	Average Occupancy
<i>Historical</i>							
2019	165.6	169.0	98.0%	-	-	-	98.0%
2020	167.3	169.0	99.0%	-	-	-	99.0%
2021 ⁽¹⁾	163.3	169.0	96.6%	-	-	-	96.6%
<i>Forecasted</i>							
2021	161.0	169.0	95.3%	-	-	-	95.3%
2022	161.0	169.0	95.3%	-	-	-	95.3%
2023 ⁽²⁾	161.0	169.0	95.3%	2.3	152.0	1.5%	50.9%
2024	161.0	169.0	95.3%	79.3	152.0	52.2%	74.9%
2025	161.0	169.0	95.3%	130.9	152.0	86.1%	90.9%
2026	161.0	169.0	95.3%	140.9	152.0	92.7%	94.0%

Source: Management and Development Consultant

(1) Year-to-date occupancy is through August 31, 2021.

(2) The 152 New Independent Living Units are anticipated to be available for occupancy in November 2023 and are anticipated to fill over a 30-month period at an average of approximately 4.7 units per month.

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

Table 40
Fill-Up Schedule – New Independent Living Units

Fiscal Year/Month	New Independent Living Units	Cumulative Occupied	Cumulative Occupancy ⁽¹⁾
2023			
November	14.0	14.0	9.2%
December	12.0	26.0	17.1%
2024			
January	10.0	36.0	23.7%
February	10.0	46.0	30.3%
March	10.0	56.0	36.8%
April	9.0	65.0	42.8%
May	9.0	74.0	48.7%
June	8.0	82.0	53.9%
July	8.0	90.0	59.2%
August	7.0	97.0	63.8%
September	7.4	104.4	68.7%
October	6.0	110.4	72.6%
November	5.0	115.4	75.9%
December	4.0	119.4	78.5%
2025			
January	3.0	122.4	80.5%
February	3.0	125.4	82.5%
March	2.0	127.4	83.8%
April	2.0	129.4	85.1%
May	1.0	130.4	85.8%
June	1.0	131.4	86.4%
July	1.0	132.4	87.1%
August	1.0	133.4	87.7%
September	1.0	134.4	88.4%
October	1.0	135.4	89.1%
November	1.0	136.4	89.7%
December	1.0	137.4	90.4%
2026			
January	1.0	138.4	91.0%
February	1.0	139.4	91.7%
March	1.0	140.4	92.3%
April	1.0	141.4	93.0%
Total	141.4		

Source: Management and the Development Consultant

(1) Cumulative occupancy based on 152 New Independent Living Units

The double occupancy rate for the Existing Independent Living Units is assumed to approximate 42.5 percent during the forecast period and the double occupancy rate for the New Independent Living Units is assumed to be 60.0 percent in fiscal year 2023, declining to 54.0 percent in fiscal year 2026, as provided by Continuing Care Actuaries, LLC (the “Actuary”).

Assumed Independent Living Turnover

The assumed turnover for the Independent Living Units due to death, withdrawal or transfer to the Healthcare Center, and double occupancy of the Independent Living Units has been provided by the Actuary. Refunds of Entrance Fees are generated upon termination of the Residency Agreement and withdrawal from the Community, subject to the reoccupancy of the vacated Independent Living Units. The assumed number of refunds for the Independent Living Units is provided by the Actuary. Entrance Fees may be generated from Independent Living Units turning over without a corresponding refund because the Resident has not withdrawn from the Community but has permanently transferred to the Healthcare Center. The assumed number and amount of refunds for the Existing Independent Living Units and the New Independent Living Units is provided by Management and the Actuary.

The following table presents the assumed Entrance Fees received and Entrance Fee refunds.

Table 41 Entrance Fee Receipts and Refunds Independent Living Units (In Thousands)						
Fiscal Year Ending December 31,	2021	2022	2023	2024	2025	2026
<u>Initial</u>						
Number of Entrance Fees Received	-	-	26.0	93.4	18.0	4.0
Entrance Fees Received	\$ -	\$ -	\$24,083	\$60,178	\$11,177	\$2,115
<u>Turnover</u>						
Number of Entrance Fees Received	13.3	13.5	15.8	18.0	19.1	21.3
Entrance Fees Received	\$9,010	\$9,474	\$9,925	\$11,847	\$14,723	\$16,912
<u>Refunded</u>						
Number of Entrance Fees Refunded	13.0	13.6	14.1	16.4	18.3	19.3
Entrance Fees Refunded	(\$5,927)	(\$6,080)	(\$6,826)	(\$8,684)	(\$9,968)	(\$10,670)
Entrance Fees Received, Net of Refunds	\$3,083	\$3,394	\$27,182	\$63,341	\$15,932	\$8,357

Source: Management and the Actuary

Management assumes the Entrance Fees and Life Care Fees for the Existing Independent Living Units would increase by 3.0 percent annually beginning on January 1, 2022 and annually thereafter. Management assumes the Entrance Fees and Life Care Fees for the New Independent Living Units would increase 4.0 percent on January 1, 2024, 4.0 percent on January 1, 2025, and 3.25 on January 1, 2026.

See Independent Accountants’ Examination Report

Healthcare Center Revenue

Healthcare Center fees are assumed to be generated from services provided to Residents transferring from the Independent Living Units.

Residents who select the Type A Plan and are transferred to the Healthcare Center continue to pay their Monthly Fee plus the cost of additional meals. In the event the Assisted Living Units or the Skilled Nursing Beds are full, Residents are temporarily moved to an outside facility at no additional Monthly Fee. If a Resident requires additional nursing services, Management arranges for nursing care to be provided in an appropriate nursing establishment until occupancy in the Skilled Nursing Beds is available.

Residents who select the Type C Plan and are temporarily or permanently transferred to the Healthcare Center pay the then-current Monthly Fee for assisted living or the Daily Fee for nursing care services. In addition, in the event the Assisted Living Units are full, Residents are temporarily moved to an outside facility at an additional charge.

The Skilled Nursing Beds are assumed to provide services to private-pay Residents only. Management assumes Existing Healthcare Center fees to increase 4.00 percent on January 1, 2022, 3.75 percent on January 1, 2023, 3.50 percent on January 1, 2024, 3.25 percent on January 1, 2025, and 3.00 percent on January 1, 2026. Management assumes the New Healthcare Center fees will increase 3.50 percent on January 1, 2024, 3.25 percent on January 1, 2025, and 3.00 percent on January 1, 2026.

Assumed Healthcare Center Utilization

The Community has accommodations, equipment, staffing, programs, services, and supervision necessary for the Healthcare Center to be available to Residents on a priority basis. However, Management cannot guarantee access to these areas. Management assumes the Healthcare Center to be restricted to those Residents who have signed a Residency Agreement and are transferring from an Independent Living Unit. The following table summarizes the historical and forecasted utilization of the Existing Assisted Living Units and the New Assisted Living Units.

Table 42
Utilization of the Assisted Living Units

Fiscal Year Ending December 31,	Existing Assisted Living Units			New Assisted Living Units			Total ALU
	Average Occupied	Average Available	Average Occupancy	Average Occupied	Average Available	Average Occupancy	Average Occupancy
<i>Historical</i>							
2019	9.0	14.0	64.3%	-	-	-	64.3%
2020	12.0	14.0	85.7%	-	-	-	85.7%
2021 ⁽¹⁾	10.6	14.0	75.7%	-	-	-	75.7%
<i>Forecasted</i>							
2021	11.0	14.0	78.6%	-	-	-	78.6%
2022	12.0	14.0	85.7%	-	-	-	85.7%
2023 ⁽²⁾	12.7	14.0	90.7%	-	15.0	0.0%	43.8%
2024	12.7	14.0	90.7%	1.7	15.0	11.3%	49.7%
2025	12.7	14.0	90.7%	4.9	15.0	32.7%	60.7%
2026	12.7	14.0	90.7%	7.7	15.0	51.3%	70.3%

Source: Management

(1) Year-to-date occupancy is through August 31, 2021.

(2) The New Assisted Living Units are to be available for occupancy in December 2023 and are anticipated to fill over a 60-month period at an average of approximately 0.2 units per month. The New Assisted Living Units are anticipated to reach 85 percent occupancy in November 2028, which is outside of the forecast period.

The New Memory Care Units are assumed to be filled solely through internal transfer of residents from the Independent Living Units and the Assisted Living Units, as provided by Management. The following table summarizes the forecasted utilization of the New Memory Care Units.

Table 43			
Utilization of the New Memory Care Units			
Fiscal Year Ending December 31,	Average Occupied	Average Available	Average Occupancy
<i>Forecasted</i>			
2021	-	-	-
2022	-	-	-
2023 ⁽¹⁾	-	14.0	0.0%
2024	1.6	14.0	11.4%
2025	4.5	14.0	32.1%
2026	7.2	14.0	51.4%

Source: Management

- (1) The New Memory Care Units are to be available for occupancy in December 2023 and are anticipated to fill over a 60-month period at an average of approximately 0.2 units per month. The New Memory Care Units are anticipated to reach 85 percent occupancy in November 2028, which is outside of the forecast period.

The Skilled Nursing Beds are assumed to be filled solely through internal transfer of residents from the Independent Living Units and the Assisted Living Units, as provided by Management. The following table summarizes the historical and forecasted utilization of the Skilled Nursing Beds.

Table 44
Utilization of the Skilled Nursing Beds

Fiscal Year Ending December 31,	Existing Skilled Nursing Beds			New Skilled Nursing Beds			Total SNF
	Average Occupied	Average Available	Average Occupancy	Average Occupied	Average Available	Average Occupancy	Average Occupancy
<i>Historical</i>							
2019	11.0	25.0	44.0%	-	-	-	44.0%
2020	9.0	25.0	36.0%	-	-	-	36.0%
2021 ⁽¹⁾	13.5	25.0	54.0%	-	-	-	54.0%
<i>Forecasted</i>							
2021	18.0	25.0	72.0%	-	-	-	72.0%
2022	20.0	25.0	80.0%	-	-	-	80.0%
2023 ⁽²⁾	21.5	25.0	86.0%	-	24.0	0.0%	43.9%
2024	22.6	25.0	90.4%	2.8	24.0	11.7%	51.8%
2025	22.6	25.0	90.4%	7.8	24.0	32.5%	62.0%
2026	22.5	25.0	90.0%	12.3	24.0	51.3%	71.0%

Source: Management

(1) Year-to-date occupancy is through August 31, 2021.

(2) The New Skilled Nursing Beds are to be available for occupancy in November 2023 and are anticipated to fill over a 60-month period at an average of approximately 0.3 units per month. The New Skilled Nursing Beds are anticipated to reach 85 percent occupancy in November 2028, which is outside of the forecast period.

Advance Fee Amortization

Advance fee amortization is based on the non-refundable portion of the Entrance Fees received each year amortized over the life expectancy of each Resident in the Independent Living Units throughout the forecast period.

Investment Income

Management's assumption for average annual rate of return on cash and investments is assumed to approximate 3.0 percent per annum.

Other Income

Other revenue consists of revenues from additional Resident 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 beginning January 2022 and annually throughout the forecast period.

Summary of Operating Expense Assumptions

Operating expenses are estimated by Management based on its experience at the Community and development and operation of similar retirement communities. Salaries, wages and employee benefits for the Community are assumed to increase 3.0 percent on January 1, 2022 and annually thereafter. Management assumes employee benefits are to increase from 21.3 percent of salaries in fiscal year 2021 to 21.8 percent of salaries by fiscal year 2026.

Salaries, wages and employee benefits for the Project are assumed to increase 3.0 percent annually beginning January 1, 2024 and annually thereafter. Management assumes employee benefits for the Project will approximate 28.0 percent of salaries during the forecast period.

The following table summarizes the staffing levels during the forecast period for all departments.

Table 45
Schedule of Staffing Levels (FTEs) - 2026

Department	Existing	Project	Total
Administrative	6.0	2.8	8.8
Health care	28.8	22.4	51.2
Dietary	26.5	18.0	44.5
Wellness	4.8	4.0	8.8
Marketing	3.0	1.0	4.0
Maintenance/grounds	6.3	3.5	9.8
Housekeeping/laundry	9.0	8.5	17.5
Other	15.4	3.4	18.8
Total FTEs	99.8	63.6	163.4

Source: Management

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, and other miscellaneous expenses. Non-salary operating expenses for the Community are assumed to increase 3.0 percent beginning January 1, 2022 and annually throughout the forecast period. Non-salary operating expenses for the Project are assumed to increase 3.0 percent beginning January 1, 2024 and annually throughout the forecast period.

Assets Limited as to Use

UMB Bank, National Association, (the “Trustee”) for the Series 2017 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, and the Series 2023 Bonds is assumed to maintain the following funds and accounts under the terms of the bond documents related to the Series 2017 Bonds, the Series 2020 Bonds, and the Series 2021 Bonds:

- (1) Project Fund, funded at closing from Series 2020 Bonds and Series 2021 Bonds proceeds, to be used to pay construction and other Project related costs.
- (2) The Debt Service Reserve Funds, securing the following obligations:
 - Debt Service Reserve Fund - Series 2016 Bonds (to be released upon the issuance of the Series 2022 Bonds);
 - Parity Debt Service Reserve Fund - Series 2017 Bonds (until the Series 2023 Bonds are issued), Series 2020 Bonds (until the Series 2021A Bonds are issued), Series 2021A Bonds, Series 2022 Bonds, and Series 2023 Bonds; and
 - Debt Service Reserve Fund - Series 2021B/C Bonds (to be released upon repayment of the Series 2021B/C Bonds).
- (3) Entrance Fee Fund, to be funded with initial Entrance Fees from the Project, available to: fund the Working Capital Fund; the Operating Reserve Fund; fund approximately \$1,590,000 of Development Consulting Fee payments; and redeem the Series 2021B Bonds and Series 2021C Bonds. Upon the repayment of the Series 2021C Bonds and the Series 2021B Bonds, stabilized occupancy of the New Independent Living Units, and assuming no events of default have occurred, any amounts remaining on deposit in the Entrance Fund shall be released.
- (4) Working Capital Fund, to be initially funded from the Entrance Fee Fund, to be applied to pay operating expenses of the Corporation or construction costs to the extent that other moneys are not available.
- (5) Bond Fund, which is to contain the bond principal and interest payments due on the Series 2017 Bonds, Series 2020 Bonds, Series 2021 Bonds, Series 2022 Bonds, and Series 2023 Bonds.
- (6) Interest Reserve, established within 30 days of the approval of the Mediated Settlement Agreement (hereinafter defined) until the Series 2017 Bonds are refunded in March 2023.
- (7) Operating Reserve Fund, to be initially funded from the Entrance Fee Fund, to meet the additional future requirements of North Carolina General Statute § 58-64-33 upon opening of the Project, which requires CCRCs to maintain an operating reserve (the “Statutory Operating Reserve”) equal to 50 percent of the total operating costs in a given year, or 25 percent of such total operating costs if occupancy as of a certain date exceeds 90 percent of the independent living unit capacity.

In addition, the Corporation maintains a board restricted Statutory Operating Reserve to meet the requirements of North Carolina General Statute § 58-64-33 in the years in which required funds are not fulfilled by the Trustee-held Operating Reserve Fund.

Property and Equipment and Depreciation Expense

The Corporation is assumed to incur routine capital additions during the forecast period that would be capitalized as property and equipment. Property and equipment donated are recorded as unrestricted contributions at fair market value at the date of receipt. Expenditures for maintenance, repairs and minor renovations are charged to expense as incurred.

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

Table 46 Schedule of Property and Equipment (In Thousands)						
Years Ending December 31,	2021	2022	2023	2024	2025	2026
Property and equipment, gross	\$ 129,757	\$ 141,032	\$ 233,538	\$ 289,067	\$ 289,688	\$ 290,344
Beginning balance						
Project expenditures	9,180	85,510	49,841	-	-	-
Capitalized interest	1,534	6,434	5,218	-	-	-
Routine capital additions	561	562	470	621	656	700
Property and equipment, gross	\$ 141,032	\$ 233,538	\$ 289,067	\$ 289,688	\$ 290,344	\$ 291,044
Accumulated depreciation	(24,970)	(28,709)	(33,296)	(41,479)	(49,842)	(58,392)
Property and equipment, net ending balance	\$ 116,062	\$ 204,829	\$ 255,771	\$ 248,209	\$ 240,502	\$ 232,652
Source: Management						

Long-Term Debt and Interest Expense

Series 2016 Bonds

The Series 2016 Bonds consist of \$8,000,000 of non-rated tax-exempt fixed rate term bonds, issued at a discount, with an average interest rate of 6.3125 percent per annum. Interest on the Series 2016 Bonds is assumed to be payable semi-annually on June 1 and December 1 of each year. The Series 2016 Bonds are assumed to be refunded with proceeds from the issuance of the Series 2022 Bonds during fiscal year 2022.

Series 2017 Bonds

The Series 2017A Bonds consist of \$71,730,000 of non-rated tax-exempt fixed rate term bonds with average interest rates ranging from 4.562 percent to 5.687 percent per annum. Interest on the Series 2017A Bonds is payable semi-annually on June 1 and December 1 of each year. Principal on the Series 2017 Bonds is payable annually on June 1st with a final maturity on June 1, 2052. Principal on the Series 2017A Bonds is assumed to be repaid with proceeds from the issuance of the Series 2023 Bonds during fiscal year 2023.

The Series 2017B Bonds consist of \$6,015,000 of non-rated tax-exempt fixed rate term bonds with an average interest rate of 4.437 percent per annum. Interest on the Series 2017B Bonds is payable semi-annually on June 1 and December 1 of each year. Principal on the Series 2017B Bonds is payable annually on June 1 with a final maturity on June 1, 2024. Principal on the Series 2017B Bonds is assumed to be repaid with proceeds from the issuance of the Series 2023 Bonds during fiscal year 2023.

Series 2020 Bonds

The Series 2020 Bonds consist of \$4,600,000 of non-rated tax-exempt fixed rate term bonds (the “Series 2020A Bonds”) and \$2,000,000 of non-rated taxable fixed rate term bonds (the “Series 2020B Bonds”) with coupon rates of 6.0 and 7.75 percent per annum, respectively. Interest on the Series 2020 Bonds are payable semi-annually on June 1 and December 1 of each year. Principal on the Series 2020 Bonds is payable with a single maturity on June 1, 2053. Principal on the Series 2020 Bonds is assumed to be repaid with proceeds from the issuance of the Series 2021 Bonds in November 2021.

Series 2021 Bonds

The Public Finance Authority intends to issue \$178,715,000 of the Series 2021 Bonds, at a net discount, the proceeds of which are to be lent to the Corporation to pay for the refunding of the Series 2020 Bonds and construction of the Project and other related costs. The Series 2021 Bonds are assumed to consist of:

- \$104,850,000 of unrated tax-exempt fixed rate term Series 2021A Bonds which are assumed to be issued at an interest rate of 4.0 percent per annum. Interest on the Series 2021A Bonds is to be payable June 1 and December 1 of each year beginning June 1, 2022. Principal on the Series 2021A Bonds is to be paid annually commencing June 1, 2027 with a final maturity on June 1, 2056.
- \$68,550,000 of unrated tax-exempt Series 2021B Bonds which are assumed to be issued at interest rates ranging from 2.5 percent to 3.0 percent per annum. The Series 2021B Bonds are assumed to consist of \$36,310,000 Series 2021B-1 Bonds and \$32,240,000 Series 2021B-2 Bonds. At approximately 85 percent initial occupancy of the New Independent Living Units, sufficient proceeds are assumed to be received to fully redeem the Series 2021B-1 Bonds. The Series 2021B-1 Bonds are assumed to be redeemed in full by October 1, 2025. At approximately 51 percent initial occupancy of the New Independent Living Units, sufficient proceeds are assumed to be received to fully redeem the Series 2021B-2 Bonds. The Series 2021B-2 Bonds are assumed to be redeemed in full by January 1, 2025. Interest on the Series 2021B Bonds is to be payable June 1 and December 1 of each year beginning June 1, 2022.
- \$5,315,000 of unrated taxable Entrance Fee Principal Redemption BondsSM (the “Series 2021C Bonds”) which are assumed to be issued at an interest rate of 3.25 percent per annum. At approximately 22 percent initial occupancy of the New Independent Living Units, sufficient proceeds are assumed to be received to fully redeem the Series 2021C Bonds. The Series 2021C Bonds are assumed to be redeemed in full by July 1, 2024. Interest on the Series 2021C Bonds is to be payable June 1 and December 1 of each year beginning June 1, 2022.

Series 2022 Bonds

The Public Finance Authority intends to issue \$8,920,000 of unrated tax-exempt Series 2022 Bonds, at a discount, the proceeds of which are to be lent to the Corporation to refund the remaining principal balance of the Series 2016 Bonds. The Series 2022 Bonds are assumed to be issued at an interest rate of 4.0 percent per annum. Interest on the Series 2022 Bonds is to be payable June 1 and December 1 of each year beginning June 1, 2022. Principal on the Series 2022 Bonds is to be paid annually commencing June 1, 2023, with a final maturity on June 1, 2049.

Series 2023 Bonds

The Public Finance Authority intends to issue \$75,995,000 of unrated tax-exempt Series 2023 Bonds, at a premium, the proceeds of which are to be lent to the Corporation to refund the remaining principal balance of the Series 2017 Bonds. The Series 2023 Bonds are assumed to be issued at an interest rate of 5.0 percent per annum. Interest on the Series 2023 Bonds is to be payable June 1 and December 1 of each year beginning June 1, 2023. Principal on the Series 2023 Bonds is to be paid annually commencing June 1, 2024, with a final maturity on June 1, 2052.

The following table presents the assumed annual debt service during the forecast period.

Table 47
Annual Debt Service
(In Thousands)

Year Ending December 31	Existing Bonds		Series 2021 Bonds		Series 2022 Bonds		Series 2023 Bonds		Total Debt Service ⁽¹⁾
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 7,715	\$ 5,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,795
2022	9,165	4,177	-	6,784	-	266	-	-	20,392
2023	73,845	712	-	6,262	25	356	-	2,829	84,029
2024	-	-	28,205	6,048	25	355	1,320	3,767	39,720
2025	-	-	45,660	4,635	25	354	1,385	3,699	55,758
2026	-	-	-	4,194	25	353	1,460	3,628	9,660
Thereafter	-	-	104,850	84,814	8,820	7,412	71,830	54,021	331,747
Total	\$ 90,725	\$ 9,969	\$178,715	\$112,737	\$8,920	\$9,096	\$75,995	\$67,944	\$ 554,101

Source: Management and the Underwriter

Early Extinguishment of Debt

The loss on the early extinguishment of the Existing Bonds is reflected as an operating expense in the Forecasted Statements of Activities and Changes in Net Deficit during the fiscal year ending December 31, 2021, December 31, 2022, and December 31, 2023. The loss on the early extinguishment of debt resulting from the refunding approximates \$665,000, \$1,262,000, and \$4,892,000, respectively and is calculated as the unamortized deferred financing costs associated with the Existing Bonds, unamortized original issue discount associated with the Existing Bonds, and redemption premiums associated with the refunding of the Series 2016 Bonds and the Series 2017 Bonds.

Sears Farm Bankruptcy

Sears Farm, LLC, a North Carolina limited liability company not affiliated with the Corporation (“Sears Farm”), sold to the Corporation the land on which the Corporation has developed the Community and the land on which the Corporation will develop the expansion Project. The Corporation's obligations associated with the Series 2016 Bonds were guaranteed by Sears Farm pursuant to an Amended and Restated Guaranty Agreement (the “Sears Farm Guaranty”). Performance by Sears Farm of its obligations pursuant to the Sears Farm Guaranty was secured by an Amended and Restated Deed of Trust encumbering land owned by Sears Farm adjacent to the Community land.

On March 1, 2018 Sears Farm commenced a Chapter 11 bankruptcy case, in the United States Bankruptcy Court for the Eastern District of North Carolina (the “Sears Farm Bankruptcy”). The Sears Farm Bankruptcy was an event of default on the part of Sears Farm under the Sears Farm Guaranty and the Sears Farm Deed of Trust. The bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds was of the view that the Sears Farm Bankruptcy was

an event of default on the part of the Corporation under the Series 2016 Bonds, and that such default on the part of the Corporation under the Series 2016 Bonds was an event of default on the part of the Corporation under the Series 2017 Bonds (the “Alleged Defaults”), notwithstanding that the Corporation was in compliance with all of its obligations under the Series 2016 Bonds and the Series 2017 Bonds. The Corporation disagreed with the bond trustee’s and master trustee’s view as to the effect of the Sears Farm Bankruptcy on the Series 2016 Bonds and the Series 2017 Bonds.

The parties’ disputes were resolved, as reflected in a Mediated Settlement Agreement (and a more fulsome Settlement Agreement among Sears Farm, the Corporation, and the bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds, executed and delivered in April 2019) (the “Settlement Agreements”). In the Settlement Agreements the bond trustee and master trustee under the Series 2016 Bonds and under the Series 2017 Bonds’ waived the Alleged Defaults. A Plan of Reorganization for Sears Farm, which incorporated provisions of the Settlement Agreements, was confirmed by the Bankruptcy Court in May 2019 (the “Plan”).

The Corporation entered into a balance purchase money note with Sears Farm in December 2016 for \$5,311,530 (the “Purchase Money Note”) for the purchase of the project site (other than Lot 37). The Purchase Money Note incurred simple interest payable quarterly at a 3 percent annual rate. The Purchase Money Note was payable in full due on the earlier of the date of closing of the Series 2021 Bonds or October 31, 2021. The Purchase Money Note is secured by a purchase money deed of trust which encumbers the Project Site (other than Lot 37) (the “Purchase Money Deed of Trust”). Per North Carolina law, the Purchase Money Note is non-recourse as to the Corporation.

Pursuant to the Settlement Agreements and the Plan, among other things:

- The Corporation paid to Sears Farm the sum of \$1,000,000;
- Sears Farm conveyed to the Corporation Lot 37;
- The Purchase Money Note was modified, to (i) reflect the \$1,000,000 payment as a credit against the principal balance thereof, (ii) reduce the principal balance thereof by an additional \$2,311,530 (such that the remaining principal balance thereof was reduced to \$2,000,000), (iii) eliminate any obligation for interest to accrue on the unpaid principal balance of the Purchase Money Note from its inception, and (iv) extend for one year; i.e., until October 31, 2022, the “outside” maturity date of the Purchase Money Note; and
- From and after March 27, 2019, William W. Sears and his spouse Rita Sears may continue to reside in their residence within the Community, and will not be obligated to pay to the Corporation an amount equal to the Monthly Fee and up to \$600 per year of “Other Charges” otherwise payable by William W. Sears or Rita Sears, pursuant to their Residency Agreement with the Corporation. From and after the date the Purchase Money Note is paid and satisfied in full, the Monthly Fee and Other Charges in excess of \$600 per calendar year will be applied in reduction of the potential Entrance Fee refund payable to or with respect to William W. Sears or Rita Sears, in the manner provided in their Residency Agreement with the Corporation. In the event that the potential Entrance Fee refund payable to or with respect to William W. Sears or Rita Sears is reduced to zero as the result of the reduction described in the preceding sentence, William W. Sears and/or Rita Sears may continue to reside in their residence within the Community, and will not be obligated to pay in cash to the Corporation the Monthly Fee or up to \$600 per calendar year of Other Charges. William

W. Sears or Rita Sears are otherwise required to abide by all provisions of their Residency Agreement with the Corporation.

As modified, the principal balance of the Purchase Money Note, after reduction for the above credits, is payable in full, without interest, in a single payment due on the earlier of (i) October 31, 2022, or (ii) the closing of the Series 2021 Bonds.

Management assumes that \$2,000,000 of proceeds from the issuance of the Series 2021 Bonds will be used to pay the outstanding balance of the Purchase Money Note.

Subordinated Obligations

The Corporation obtained pre-finance capital from MatchCapSM -Sears Farm, LLC (“MatchCap”) and Sears Farm of \$6,800,000 and \$2,390,000, respectively, accruing interest at 6.0 percent per annum, with a maximum amount of interest to be paid on the obligations equal to the amount of the original obligation, \$6,800,000 and \$2,390,000 respectively (the “Subordinated Obligations”).

Certain fees at completion of the Community were recorded as deferred fees that are also Subordinated Obligations. At December 31, 2020 the Corporation owes approximately \$993,000 to Sears Farm, in connection with rezoning the Community site and other construction services. The Corporation owes approximately \$400,000 to Searstone RLA for management services. The Corporation owes approximately \$711,000 to Sears, Hackney, Keener & Williams, Incorporated (“SHKW”) for architectural services related to the construction of the Community. The Corporation owes approximately \$500,000 to the Development Consultant for development services related to the original development of the community. The Corporation owes approximately \$700,000 to Retirement Living Associates, Inc. (“RLA”) for marketing services related to the opening of the Community. The deferred fees to Searstone RLA accrue simple interest at 6.0 percent per annum. The other deferred fees do not accrue interest.

As of December 31, 2020 approximately \$4,835,000 of interest has accrued on Subordinated Obligations related to MatchCap, Sears Farm, and Searstone RLA. The table below summarizes the Subordinated Obligations for the forecast period:

Table 48
Summary of Subordinated Obligations
(In Thousands)

Years Ending December 31,	2021	2022	2023	2024	2025	2026
Beginning balance	\$ 17,329	\$ 17,904	\$ 18,479	\$ 19,054	\$ 19,629	\$ 20,204
Interest on SearsFarm Debt	143	143	143	143	143	143
Interest on MatchCap Debt	408	408	408	408	408	408
Interest on Searstone RLA Debt	24	24	24	24	24	24
Ending balance	\$ 17,904	\$ 18,479	\$ 19,054	\$ 19,629	\$ 20,204	\$ 20,779

Source: Management

Under the provisions of the Master Trust Indenture, no payment of principal of or interest on the Subordinated Obligations shall be made unless certain conditions set forth in the Master Trust Indenture are satisfied. Remaining Initial Entrance Fees from the Project may be used to repay Subordinated Obligations under certain conditions set forth in the Master Trust Indenture. Management has assumed no payment of principal or accrued interest on the Subordinated Obligations will be made during the forecast period.

Current Assets and Current Liabilities

Operating expenses exclude amortization, depreciation, other non-cash expenses and interest expense. Operating revenues include Independent Living Unit Monthly Fees and Healthcare Center service fees. Working capital components have been estimated based on industry standards and Management's historical experience as follows:

Table 49
Working Capital – Days on Hand

Cash	30	days operating expenses
Accounts receivable	3	days operating revenues
Prepaid expenses	5	days operating expenses
Accounts payable	8	days operating expenses

Source: Management



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INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community
Cary, North Carolina

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, Series 2022 Bonds, and Series 2023 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
September 29, 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. The period of time it takes to achieve and maintain stabilized occupancy could be longer than Management has assumed in the accompanying forecast. Residents are to begin moving into the New Independent Living Units in November 2023 and achieve and maintain a 93 percent occupancy level by April 2026.

Sensitivity Analysis IA

The data presented in the table below demonstrates the financial impact if the occupancy of the New Independent Living Units were reduced to a breakeven point such that zero Days Cash on Hand would remain for the fiscal year ending December 31, 2026.

Sensitivity Analysis IB

The period of time it takes to achieve and maintain stabilized occupancy could be longer than Management assumes. The data presented in the table below demonstrates the impact of an extension in the assumed move-in period of the New Independent Living Units from 30 months to 36 months.

Table 50
Sensitivity Analysis – I
Estimated Financial Information
For the Year Ending December 31, 2026

	As Forecasted	Sensitivity IA ⁽¹⁾	Sensitivity IB ⁽²⁾
<i>Occupancy:</i>			
New Independent Living Units	93.0%	68.4%	93.0%
Debt Service Coverage Ratio	1.51x	1.18x	1.49x
Days Cash on Hand ⁽³⁾	484	-	477

Source: Management

- (1) Initial and turnover Entrance Fees received for the New Independent Living Units was adjusted for the reduction in New Independent Living Unit occupancy.
- (2) For purposes of the sensitivity, the New Independent Living Units are estimated to reach stabilized occupancy of 93% in October 2026 (fiscal year ending December 31, 2026).
- (3) For purposes of the sensitivity analysis, occupancy was reduced without a corresponding adjustment to certain fixed or staffing expenses. No adjustments were made to the repayment of debt on Sensitivities IA and IB.

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.

The data presented in the table below are provided to demonstrate the impact of changes in Entrance Fee cash flow receipts in the stabilized year of 2026.

Sensitivity Analysis IIA

Entrance Fee pricing is sensitive to housing prices and other economic conditions. The data presented in the table below are provided to demonstrate the impact of assuming a 25 percent reduction in turnover Entrance Fees received, while maintaining the assumed Entrance Fee Refunds.

Sensitivity Analysis IIB

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, and the historical experience of Management. These assumptions are especially sensitive to variation and may or may not occur evenly throughout the forecast period. The data presented in the table below are provided to demonstrate the impact of assuming no turnover Entrance Fee cash flow receipts or Entrance Fee refunds in the stabilized year of 2026.

Table 51
Sensitivity Analysis – II
Estimated Financial Information
For the Year Ending December 31, 2026
(In Thousands, Except for Ratios)

	As Forecasted	Sensitivity IIA ⁽¹⁾	Sensitivity IIB
Turnover Entrance Fee Received	\$ 16,912	\$ 12,684	-
Entrance Fee Refunds Paid	(10,670)	(10,670)	-
Net Entrance Fees Received	\$ 6,242	\$ 2,014	-
Debt Service Coverage Ratio	1.51x	1.12x	0.94x
Days Cash on Hand ⁽²⁾	484	258	406

Source: Management

(1) The sensitivity in the liquidity ratios is due to the 25 percent reduction in turnover Entrance Fees received in each of the forecasted years.

(2) For purposes of the sensitivity analysis, the assumed schedule for the repayment of debt remained as originally forecasted.

Sensitivity Analysis III – Expense and Revenue Control

Management assumes operating expenses increase over time, with a corresponding ability to increase monthly or daily rates and charges. Management's ability to raise revenues may vary from the forecast assumptions. Management has assumed certain operating revenues would increase 4.0 percent on January 1, 2022, 3.75 percent on January 1, 2023, 3.5 percent on January 1, 2024, 3.25 percent on January 1, 2025, and 3.0 percent on January 1, 2026. Additionally, Management has assumed expenses would increase 3.0 percent beginning January 1, 2022, and annually thereafter.

The data presented in the table below is provided to demonstrate the impact on the overall financial performance of the Corporation assuming the operating revenue inflation decrease from the increase between 3.0 and 4.0 percent to 3.0 percent each year of the forecast while maintaining the assumed 3.0 percent operating expense inflation increase.

Table 52
Sensitivity Analysis – III
Estimated Financial Information
For the Year Ending December 31, 2026

	As Forecasted	Sensitivity III
<i>Inflation Percentage:</i>		
Revenues Inflation (January 1, 2022 and annually thereafter)	3.0% - 4.0%	3.0%
Expenses Inflation (January 1, 2022 and annually thereafter)	3.0%	3.0%
Debt Service Coverage Ratio	1.51x	1.47x
Days Cash on Hand ⁽¹⁾	484	468

Source: Management

(1) For purposes of the sensitivity analysis, the assumed schedule for the repayment of debt remains as originally forecasted.

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APPENDIX D

FORMS OF PRINCIPAL FINANCING DOCUMENTS

**(INCLUDING MASTER INDENTURE, SUPPLEMENTAL INDENTURES,
BOND INDENTURES, LOAN AGREEMENTS, DEED OF TRUST, 2022 BOND
PURCHASE AGREEMENT, AND 2023 BOND PURCHASE AGREEMENT)**

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SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE

between

SAMARITAN HOUSING FOUNDATION, INC.,
as the Initial Obligated Group Member

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

Dated July 31, 2019

This instrument prepared by:
Butler Snow LLP
1170 Peachtree Street, NE
Suite 1900
Atlanta, Georgia 30309

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SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE, dated July 31, 2019 (this “Master Trust Indenture”), between **SAMARITAN HOUSING FOUNDATION, INC.**, a Georgia nonprofit corporation, as the initial Obligated Group Member (the “Obligor”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers, as master trustee (the “Master Trustee”), is made and entered into for the purpose of amending and restating the 2017 Master Trust Indenture (as defined below),

WITNESSETH:

WHEREAS, the Obligor and the Master Trustee have entered into an Amended and Restated Master Trust Indenture, dated as of December 1, 2017 (as supplemented, the “2017 Master Trust Indenture”), which amended and restated the Master Trust Indenture, dated as of June 1, 2012 (as supplemented, the “2012 Master Trust Indenture”), between the Obligor and Wells Fargo Bank, National Association, succeeded by UMB Bank, National Association, as Master Trustee, for the purpose of providing for the issuance from time to time by the Obligor or other Persons electing to become Obligated Group Members (as defined in the 2017 Master Trust Indenture) of Master Obligations (as defined in the 2017 Master Trust Indenture) to finance or refinance the acquisition or betterment of retirement facilities, including independent living, personal care and skilled nursing facilities, or other facilities or for other lawful and proper purposes; and

WHEREAS, the Obligor has issued the following Master Obligations under the 2017 Master Trust Indenture that are Outstanding (as defined in the 2017 Master Trust Indenture) as of the date hereof: the Series 2016 Obligation dated December 28, 2016, the Series 2017 Master Obligation dated December 27, 2017, and the Series 2012 Subordinated Obligations (as defined below), which constitute Subordinated Indebtedness (as defined in the 2017 Master Trust Indenture); and

WHEREAS, the Obligor and the Master Trustee are authorized under Section 9.02 of the 2017 Master Trust Indenture to enter into this Master Trust Indenture for the purpose of amending and restating in its entirety the 2017 Master Trust Indenture, with the consent of the Holders (as defined in the 2017 Master Trust Indenture) of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness); and

WHEREAS, the Holders of the Series 2016 Obligation and the Series 2017 Master Obligation have consented to the amendment and restatement of the 2017 Master Trust Indenture in its entirety pursuant to the terms of this Master Trust Indenture; and

WHEREAS, words used in the text shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS, all acts and things necessary to constitute this Master Trust Indenture a valid indenture and agreement according to its terms have been done and performed, the Obligor has duly authorized the execution and delivery of this Master Trust Indenture, and the Obligor, in the exercise of the legal right and power invested in it, executes this Master Trust Indenture and proposes to make, execute, issue and deliver Master Obligations hereunder; and

WHEREAS, the Master Trustee agrees to accept and administer this Master Trust Indenture upon the terms set forth herein,

GRANTING CLAUSES

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Master Obligations (defined herein), the obligations to the Master Trustee, and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Master Obligations are secured, and in consideration of the premises, of the purchase of the Master Obligations by the Holders thereof and of the sum of One Dollar (\$1.00) to the Obligated Group Members in hand paid by the Master Trustee at or before the execution and delivery hereof, the receipt and sufficiency of which are hereby acknowledged and to amend and restate in its entirety the 2017 Master Trust Indenture, the Obligated Group Members by these presents do hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Master Trustee, forever, all and singular the following described properties and grant a security interest therein for the purposes herein expressed (the “Trust Estate”), to wit:

GRANTING CLAUSE FIRST

All of the rights, titles, interests and estates, now owned or hereafter acquired by the Obligated Group Members, in and to the following and any and all other personal property of any kind or character defined in and subject to the provisions of the Uniform Commercial Code, including the supporting obligations thereof, proceeds and products of and from any and all of such personal property used in connection with or arising out of the operation and use of the improvements located on the Premises and any substitutions or replacements therefor (collectively, the “Personal Property”):

- (a) Equipment,
- (b) Accounts,
- (c) General Intangibles,
- (d) Contract Documents,
- (e) Gross Revenues and Hedge Receipts, including, without limitation, rights to receive payments from third party payors such as Medicare and Medicaid, 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, assigned or pledged 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, assigned and pledged by the Obligated Group Members, provided that the Obligated Group Members may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property,
- (f) all accessions to, substitutions and replacements for and products and cash and non-cash proceeds of any or all of the foregoing Personal Property described in (a), (b), (c), (d) and (e) above, including, without limitation, all payments of insurance (whether or not the Master Trustee is the loss payee thereof) and any indemnity, condemnation award, performance, labor and material payment bond, warranty or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the Personal Property described in (a), (b), (c), (d) and (e) above, and

(g) all books and records, including, without limitation, customer lists, credit files, computer programs, print-outs and other computer or electronic materials and records, of the Obligated Group Members pertaining to any of the Personal Property described in (a), (b), (c), (d), (e) and (f) above.

The security interest granted hereby is subject to only Permitted Encumbrances and shall encumber any and all rights, titles and interests of the Obligated Group Members in and to any and all the aforementioned Personal Property, whether tangible or intangible, and wherever situated; and

GRANTING CLAUSE SECOND

Any amounts on deposit from time to time in any fund or account created hereunder, subject to the provisions of this Master Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereinafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Obligated Group Members or by anyone on their behalf (and the Master Trustee is hereby authorized to receive the same at any time as additional security hereunder), which, subject to the lien and security interest hereof of any such property as additional security, may be made subject to any reservations, limitations or conditions which shall be set forth in a written instrument executed by the grantor or the person so acting on its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD, IN TRUST, WITH THE POWER OF SALE, all said property, rights, privileges and franchises of every kind and description hereby and hereafter (by supplemental instrument or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, transferred, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining, unto the Master Trustee and its successors and assigns forever;

SUBJECT AND SUBORDINATE, HOWEVER, to all the Permitted Encumbrances (as defined herein);

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Master Obligations without any priority of any such Master Obligations over any other such Master Obligations except as herein or by Supplement otherwise expressly provided;

UPON CONDITION that, if the Obligated Group Members or their successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Outstanding Master Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Master Obligations shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, the rights, titles, liens, security interests and assignments herein granted shall cease, determine and be void and this grant shall be released by the Master Trustee in due form at the expense of the Obligated Group Members, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

UPON FURTHER CONDITION as to any property included in the Trust Estate that, upon Request (as defined herein) of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel (as such terms are defined herein) to the effect that the conditions precedent for the disposition of such property set forth in Section 4.19 hereof have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and this grant shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members;

ALL THINGS NECESSARY to make this Master Trust Indenture a valid agreement and contract for the security of the Master Obligations in accordance with the terms of such Master Obligations and this Master Trust Indenture have been done;

IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, and the Obligated Group Members do hereby covenant and agree to and with the Master Trustee, for the equal and proportionate benefit of all Holders of the Master Obligations, except as herein or by Supplement otherwise expressly provided; and

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH and it is expressly declared that all Master Obligations issued and secured hereunder are to be issued, authenticated and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed and the Obligated Group Members have agreed and covenanted, and do hereby agree and covenant, with the Master Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Master Obligations, except as herein or by Supplement otherwise expressly provided, as follows:

ARTICLE I
DEFINITION OF TERMS, CONSTRUCTION AND CERTAIN GENERAL PROVISIONS

Section 1.01. Definition of Terms

For all purposes of this Master Trust Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) This “Master Trust Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of the Master Obligations.

(b) All references in this instrument designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Trust Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular number.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP applied in accordance with Section 1.02 of this Master Trust Indenture.

“**Account Debtor**” means any Person who is or may become obligated under or on account of an Account.

“**Accountant**” means a certified public accountant, or a firm of certified public accountants, who or which is “independent” as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to any Member or its Affiliates (but who or which may be regularly retained by a Member or its Affiliates).

“**Accounts**” means all accounts, contract rights, chattel paper, instruments and documents (excluding Contract Documents) received by or on behalf of the Obligated Group Members and all rights to receive the same, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“**Act**” when used with respect to any Holder of Master Obligations has the meaning specified in Section 1.04 and not the meaning assigned such term in any documents delivered in connection with the issuance of Master Obligations or Related Bonds, unless specifically provided for in such documents.

“**Additional Indebtedness**” means Indebtedness incurred by any Member subsequent to the issuance of the Series 2017 Master Obligation.

“**Additional Interest**” means the amount of interest due that is allocable to the difference between the rates effective the date of this Master Trust Indenture on the Series 2016 Obligation and the Series 2017 Obligation and the Series 2016 Bonds and the Series 2017 Bonds, respectively, and the Initial Interest Rates.

“**Additional Master Obligations**” means any evidence of Indebtedness or evidence of any repayment obligation under any Hedge Agreement issued after the issuance of the Series 2017 Master Obligation, which is authorized to be issued by a Member pursuant to this Master Trust Indenture and which has been authenticated by the Master Trustee pursuant to Section 2.03 hereof.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors (or other members of its Governing Body), the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Annual Budget**” means the annual budget of the Obligated Group required to be provided by the Obligated Group Representative pursuant to Section 4.14 hereof.

“**Authorized Obligor Representative**” shall mean, with respect to the Obligated Group Representative and each Obligated Group Member, the Chairman or Vice Chairman of its Governing Body, the President or any Vice President, Secretary or Assistant Secretary or the Treasurer or Assistant Treasurer, or any other person or persons at the time designated by an Officer’s Certificate of the Obligated Group Representative or the Obligated Group Member and delivered to the Master Trustee.

“**Balloon Indebtedness**” means Long-Term Indebtedness 25% or more of the original principal 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.

“**Board Resolution**” of any specified Person means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

“**Bond Counsel**” means Butler Snow LLP, or any other attorney at law or firm of attorneys of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions as may be selected by the Obligated Group Representative, but is reasonably acceptable to each issuer of the Related Bonds and to the Master Trustee.

“**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 prepared in accordance with GAAP, and when used with respect to Property of all Members means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

“**Business Day**” means any day other than a Saturday, a Sunday or, in the location of the designated corporate trust office of the Related Bond Trustee, a legal holiday or day upon which banking institutions are authorized by law to close.

“**Capital Addition**” means any addition, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or replacement of or to the Facilities and the cost of which is properly capitalized under GAAP applied in accordance with Section 1.02 hereof.

“**Cash and Investments**” means the sum of cash, cash equivalents and marketable securities of the Obligated Group Members, including without limitation board-designated assets, and any amounts, if any, on deposit in the Interest Reserve Fund and any Operating Reserve Fund and Working Capital Fund, but excluding (a) trustee-held funds other than those described above in this definition, (b) donor-restricted funds and (c) any funds pledged or otherwise subject to a security interest for debt other than the Master Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the 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.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“**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 Long-Term Indebtedness**” means any Long-Term Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities or a Capital Addition thereto or marketing or other pre-opening expenses of such Facilities with respect to which Long-Term Indebtedness 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 completed and equipped Facilities or a Capital Addition thereto of substantially the same type and scope contemplated at the time such prior Long-Term Indebtedness was originally incurred, to provide for Funded Interest during the period of construction, to provide any reserve fund relating to such Completion Long-Term Indebtedness and to pay the costs and expenses of issuing such Completion Long-Term Indebtedness.

“**Consent**” or “**Request**” of any specified Person mean, respectively, a written consent or request signed in the name of such Person by the Chairman of the Governing Body, the Chief Executive Officer,

the President, a Vice President, the Treasurer, an Assistant Treasurer or the Chief Financial Officer of such Person or any other person or persons designated by an Officer’s Certificate and delivered to the Master Trustee.

“**Construction Index**” means the most recent issue of the “Dodge Construction Index for U.S. and Canadian Cities” with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Representative in an Officer’s Certificate delivered to the Master Trustee and which other index is acceptable to the Majority Holders.

“**Consultant**” means a professional consulting, accounting, investment banking or commercial banking firm or individual engaged by the Obligated Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm or individual does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof and which is acceptable to the Majority Holders.

“**Contract Documents**” means any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, renovation agreements, development agreements, project management agreements, architect’s agreements, plans and specifications, Hedge Agreements and other contracts, licenses and permits now or hereafter affecting any Property (as the same may be supplemented from time to time), together with all rights and privileges of any nature thereunder accruing, together with any changes, renewals, supplements, addenda, amendments, consolidations, extensions, revisions, modifications or guarantees of performance of obligations to the Obligated Group Members under the foregoing contracts, all of the Obligated Group Members’ rights and title to modify, alter or amend the foregoing contracts, to terminate the foregoing contracts and to waive or release the performance or observance of any obligation or condition of the foregoing contracts, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“**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.

“**Corporate Trust Office**” of the Master Trustee means the office of the Master Trustee at which this Master Trust Indenture shall be principally administered, which at the date hereof is UMB Bank, National Association, 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Attention: Corporate Trust Services, or such other address as to which the Master Trustee may give notice to the Obligated Group.

“**Credit Facility**” means any Liquidity Facility, letter of credit, bond insurance policy, standby purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Indebtedness of any 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 Representative 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.

"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 (i) Expenses (including interest on Indebtedness (based on Initial Interest Rates in the case of the Series 2016 Bonds, the Series 2017 Bonds, and the Master Obligations securing the Series 2016 Bonds and the Series 2017 Bonds) but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the twelve-month period ending as of each June 30 and December 31 as shown on the most recent unaudited quarterly financial statements delivered pursuant to Section 4.14(b)(i) and (ii) hereof by (ii) 365.

"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 and a denominator of one; provided, however, that in making such calculation, (a) the principal amount of any Indebtedness included in such calculation 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 Trust Indenture, (b) to the extent a Hedge 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 Hedge Agreement shall be used in the calculation, (c) any Subordinated Indebtedness shall be excluded except when making such calculation for the purpose of determining whether payments on Subordinated Indebtedness can be made pursuant to Section 3.05 hereof, and (d) such calculation shall be based on unaudited financial statements (and adjusted retroactively based on audited financial statements for the fourth quarter of a Fiscal Year) for the four consecutive quarters ending for the period of time tested.

"Debt Service Coverage Ratio Requirement" means the following:

<u>Period</u>	<u>Basis of Calculation</u>	<u>Requirement</u>
Fiscal Years ending December 31, 2020 through 2027	Maximum Annual Debt Service on all Long-Term Indebtedness	1.10
Fiscal Years ending December 31, 2028 and thereafter	Maximum Annual Debt Service on all Long-Term Indebtedness	1.20

"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 Long-Term Indebtedness of each Person or a group of Persons with respect to which such requirements are 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 4.17 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 due in its final year 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 required 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; and (e) any annual fees payable in respect of a Credit Facility (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.

"Debt Service Reserve Fund" means Reserve Fund No. 1 and any other Debt Service Reserve Fund established and maintained pursuant to Section 3.06 and a Supplement.

"Debt Service Reserve Fund Requirement" means, with respect to each Debt Service Reserve Fund, (i) if such Debt Service Reserve Fund secures more than one Master Obligation that secures tax-exempt Related Bonds, the least of (A) one hundred percent (100%) of Maximum Annual Debt Service on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund, (B) one hundred twenty-five percent (125%) of average annual Debt Service Requirements on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund and (C) ten percent (10%) of the stated original principal amount of the Related Bonds secured or Indebtedness evidenced by the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund or, if the Related Bonds have original issue discount or premium that exceeds two percent (2%) of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriters' compensation, ten percent (10%) of the initial offering prices to the public of the Related Bonds, or (ii) if such Debt Service Reserve Fund secures only one Master Obligation that secures tax-exempt Related Bonds or secures one or more Master Obligations that evidence and secure only taxable Indebtedness or Related Bonds, the amount specified in Section 3.06 or any Supplement directing that such Debt Service Reserve Fund be established or maintained; provided, however, the Debt Service Reserve Fund Requirement with respect to Reserve Fund No. 1 shall be computed based on the Master Obligations secured by such Debt Service Reserve Fund and the Series 2016 Obligation less the amount required to be on deposit in the debt service reserve fund that secures the Series 2016 Bonds.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Defeasance Obligations" means:

- (a) Government Obligations; and
- (b) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:
 - (i) Federal Home Loan Bank System;
 - (ii) Export-Import Bank of the United States;
 - (iii) Federal Financing Bank;

- (iv) Government National Mortgage Association;
- (v) Farmers Home Administration;
- (vi) Federal Home Loan Mortgage Company;
- (vii) Federal Housing Administration;
- (viii) Federal National Mortgage Association;
- (ix) Any other agency or instrumentality of the United States of America created by an Act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America; and

(c) Obligations described in Section 103(a) of the Code, provision for the payment of the principal of (and premium, if any) and interest on which shall have been made by the irrevocable deposit at least 123 days preceding the date of determination with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of money, or obligations described in clause (1) above, the maturing principal of and interest on which, when due and payable, without reinvestment will provide money sufficient to pay when due the principal of (and premium, if any) and interest on such obligations, and which money, or obligations described in clause (1) above, are not available to satisfy any other claim, including any claim of the trustee or escrow agent or any claim of any Person claiming through the trustee or escrow agent or any claim of any Person to whom the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent may be obligated, whether arising out of the insolvency of the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent or otherwise.

“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Trustee as available for use in connection with its services hereunder.

“**EMMA**” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“**Entrance Fee Fund**” means any entrance fee fund or account established by a Supplement in connection with the financing of any Capital Addition.

“**Entrance Fees**” means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of Independent Living Units or, if applicable assisted living units or personal care units, for the purpose of obtaining the right to reside in those units including any refundable resident deposits described in any lease or similar Residence and Services Agreement with respect to those Independent Living Units or, if applicable assisted living units or personal care units, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement prior to the occupancy of the unit covered by such Residence and Services Agreement (which amounts shall be included if and when occupancy occurs and such set-aside is no longer required).

“**Environmental Laws**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Public Law No. 96-510, 94 Stat. 1613, the Resource Conservation and Recovery Act, the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.), the Solid Waste Disposal

Act (42 U.S.C. §§ 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.), the Clean Water Act, the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Federal Coastal Zone Management Act (16 U.S.C. §§ 1451 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.) and any other federal, state or local law, statute, ordinance and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree or judgment applicable to the Premises relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“**Equipment**” means all machinery, apparatus, equipment, fittings, furniture, furnishings, fixtures (whether actually or constructively attached or affixed to the Premises or the Facilities or other improvements located thereon and including all trade, domestic and ornamental fixtures) and other articles of tangible personal property of every kind, description and nature whatsoever now or hereafter located at, in, upon or under the Premises or the Facilities and other improvements at the Premises or used or usable in connection with any present or future operations conducted or to be conducted at the Premises or with respect to the Facilities or other improvements at the Premises, and all parts, accessories and special tools and all increases, additions and accessions thereto and substitutions and replacements therefor, including, without limiting the generality of the foregoing, all building materials, supplies, goods, machinery, fixtures and equipment now or hereafter delivered to the Premises and placed on the Premises for the purpose of being affixed to or installed or incorporated or otherwise used in the Facilities or other improvements now or hereafter located at the Premises or on any part or parcel of the Premises, including, but not limited to, lumber, plaster, cement, shingles, roofing, plumbing, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures and unattached refrigerating, cooking, heating and ventilating appliances and equipment, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“**Event of Default**” has the meaning set forth in Section 7.01 hereof.

“**Examination Report**” means an examination report resulting from an examination conducted by an Accountant in conformity with generally accepted standards for accountants’ services on prospective financial information prepared in accordance with GAAP.

“**Expenses**” means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale 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) non-cash expenses or losses, including but not limited to any expenses related to derivative instruments, other than periodic payments thereon, (g) any expenses paid with proceeds of any Related Bonds, (h) any marketing expenses paid in connection with a Capital Addition or proposed Capital Addition that are being funded with proceeds of any Long-Term Indebtedness, and (i) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses 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.

“Facilities” means the retirement facilities, including independent living facilities, assisted living facilities, personal care facilities, and skilled nursing facilities and related facilities owned or leased by the Obligated Group Members, all necessary and useful furnishings, equipment and machinery and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities.

“Feasibility Report” means a report prepared and signed by a Consultant, who is an Accountant, setting forth for a forecast period not exceeding five Fiscal Years from the later of the date of the issuance of the Indebtedness in question or the completion of the Capital Additions financed with such Indebtedness: (a) forecasted financial statements prepared on the same basis as the Obligated Group’s audited financial statement; and (b) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Facilities, the rates and charges to patients and residents and such other data and information as may be necessary to support the forecasted financial statements; such report shall be accompanied by an Examination Report.

“Finance Lease” means any lease required to be treated as a finance lease under GAAP.

“Fiscal Year” means the 12 month period beginning on January 1 of any calendar year and ending on December 31 of such calendar year or such other consecutive 12 month period selected by the Obligated Group Representative as the fiscal year for the Members.

“Fitch” means Fitch 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, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group, with written notice to the Master Trustee.

“Funded Interest” means amounts irrevocably deposited in an escrow or other trust account (other than a debt service reserve fund held under a Related Bond Indenture) to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on such amounts to the extent such interest earned is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting which have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented or amended.

“General Intangibles” means all general intangibles received by or on behalf of the Obligated Group Members from or in connection with the ownership, operation or leasing of the Facilities and the Premises and all rights to receive the same, including, without limitation, all choses in action, causes of

action, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, computer programs, software, all claims under guaranties, security interests or other security held by or granted to the Obligated Group Members to secure payment of any of the Accounts by an Account Debtor, all rights to indemnification, all supporting obligations, all letter of credit rights and all other intangible property of every kind and nature (other than Accounts and Contract Documents), in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“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.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“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, (b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and (c) 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) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by reason of applicable law cannot be granted, assigned or pledged hereunder or which by reason of applicable law would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, 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, assigned and pledged by the Obligated Group Members, (ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (iii) 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 as payments required under this Master Trust Indenture, (iv) 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 areas of the Facilities to be occupied or leased to such residents or tenants, (v) all deposits made pursuant to Residence and Services Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued and (vi) all deposits and/or advance payments made in connection

with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

“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.

“Hazardous Materials” means petroleum, petroleum byproducts (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products and/or any hazardous substance or material, waste, pollutant or contaminant, defined as such in (or for the purposes of) the Environmental Laws.

“Hedge Agreement” means, without limitation, (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (c) any contract to exchange cash flows or payments or series of payments; (d) any type of contract called, or designed to perform the function of, interest rate floors, collars, caps, options, puts or calls to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (e) any other type of contract or arrangement that the Obligated Group Members determine is to be used, or is intended to be used, to manage or reduce the cost of any bonds issued under a Related Bond Indenture, to convert any element of any such bonds from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

“Hedge Receipts” means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

“Holder” means the registered owner of any Master Obligation issued in registered form.

“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 for borrowed money (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with GAAP, (c) all Finance Leases, and (d) 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, Hedge Agreements or any obligation to repay Entrance Fees or 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, senior living facilities or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

“Independent Counsel” means an attorney duly admitted to practice law in any state and, without limitation, may include independent legal counsel for any Member and is acceptable to the Master Trustee.

“Independent Living Units” means the independent living units that are or become part of the Facilities and are offered for occupancy on an Entrance Fee basis.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied.

“Initial Interest Rates” means the interest rates borne by the Series 2016 Bonds, the Series 2017 Bonds, and the Master Obligations securing the Series 2016 Bonds and the Series 2017 Bonds on the date of issuance thereof as follows:

Series 2016 Bonds:

<u>June 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2049	\$ 8,000,000	6.000%

Series 2017A Bonds:

<u>June 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$ 4,400,000	4.250%
2037	19,055,000	5.200%
2047	32,235,000	5.300%
2052	16,040,000	5.375%

Series 2017B Bonds:

<u>June 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$ 6,015,000	4.125%

“Initial Purchaser” means Herbert J. Sims & Co., Inc., the initial purchaser of the Series 2017 Bonds.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member and which, in the case of a firm, does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof, appointed by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for senior living facilities or health care 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 Representative delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, 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.

“Interest Reserve Fund” means the Interest Reserve Fund created in Section 3.07 hereof.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge 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 Facility” means a written commitment to provide money to purchase or retire any Indebtedness if (a) on the date of delivery of such Liquidity Facility the unsecured Long-Term Indebtedness or claims-paying ability of the provider of such Liquidity Facility or its parent holding company or other controlling entity is rated at least “A” by a least one of the Rating Agencies, and (b) as of any particular date of determination no amount realized under such Liquidity Facility for the payment of the principal or the purchase or redemption price of such Indebtedness (exclusive of amounts realized for the payment of accrued interest on such Indebtedness) shall be required to be repaid by the obligor on such Long-Term Indebtedness for a period of at least one year.

“Liquidity Requirement” has the meaning given such term in Section 4.18 hereof.

“Long-Term Indebtedness” means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed or credit extended, incurred or assumed which is not Short Term; (b) all Short Term Indebtedness incurred by the Person in excess of the 2.5% of Revenues limit described in Section 4.15(c) hereof; (c) the Person’s Guaranties of Indebtedness described in Section 4.15(f) hereof; and (d) lease payments under Finance Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Trust Indenture.

“Majority Holders” means the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness).

“Marketing Consultant” shall initially mean RLA and any entity succeeding to its responsibilities in regard to the SearStone Project.

“Master Obligation” or **“Obligation”** means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to this Master Trust Indenture and which is entitled to the benefits of this Master Trust Indenture.

“Master Trust Indenture” means this Second Amended and Restated Master Trust Indenture dated July 31, 2019, between the Obligor and the Master Trustee, and any supplements or amendments thereto and modifications thereof, including Supplement Number 1, Supplement Number 2 and Supplement Number 3.

“Master Trustee” means UMB Bank, National Association, a national banking association with trust powers, until a successor replaces it in accordance with the applicable provisions of Article VIII hereof and thereafter means the successor serving hereunder.

“Maturity” means, when used with respect to any Indebtedness, the date on which the principal of such Indebtedness or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

“Maximum Annual Debt Service” means the highest annual Debt Service Requirements (based on Initial Interest Rates in the case of the Series 2016 Bonds, the Series 2017 Bonds, and the Master Obligations securing the Series 2016 Bonds and the Series 2017 Bonds) for the current or any succeeding Fiscal Year.

“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 Obligated Group with written notice to the Master Trustee.

“Mortgaged Property” means the real property and personal property of the Members which is subject to the Lien and security interest of the Security Deed.

“Net Proceeds” means, when used with respect to any insurance (other than the proceeds of business interruption 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 attorneys’ 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 leased 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.

“Nonrecourse Indebtedness” means any Indebtedness that by its terms is secured solely by the assets financed by such Indebtedness with no recourse to any other assets of the Obligated Group Members.

“Obligated Group” means, collectively, all of the Obligated Group Members.

“Obligated Group Member” or **“Member”** means the Obligor and any other Person who has satisfied the requirements set forth in this Master Trust Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in this Master Trust Indenture for ceasing to be an Obligated Group Member.

“Obligated Group Representative” means the Obligor or any successor Obligated Group Representative appointed pursuant to Section 6.04 hereof.

“Obligated Group Representative Request” means a written order or request of the Obligated Group or any Member, signed by an Authorized Obligor Representative, and delivered to the Master Trustee.

“Obligation Register” means the register of ownership of the Master Obligations to be maintained pursuant to this Master Trust Indenture.

“Obligor” means Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation, and any and all successors thereto in accordance with this Master Trust Indenture.

“Officer’s Certificate” means a certificate signed, in the case of a certificate delivered by an Obligated Group Member, by an Authorized Obligor Representative of the Obligated Group Member or, in the case of a certificate delivered by any other entity, by the President, any Vice President, the Chief Operating Officer, the Chief Financial Officer, the Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such entity or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

“Operating Reserve Fund” means any operating reserve fund or account established in connection with the financing of a Capital Addition.

“Opinion of Bond Counsel” shall mean an opinion in writing signed by Bond Counsel.

“Opinion of Counsel” means a written opinion of Independent Counsel who may (except as otherwise expressly provided herein) be counsel to any Obligated Group Member.

“Outstanding” means, when used with respect to Master Obligations, as of the date of determination, all Master Obligations theretofore authenticated and delivered under this Master Trust Indenture, except:

(a) Master Obligations theretofore cancelled and delivered to the Master Trustee or delivered to the Master Trustee for cancellation;

(b) Master Obligations for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 10.02 of this Master Trust Indenture) shall have theretofore been deposited with the Master Trustee or any Paying Agent for such Master Obligations in trust for the Holders of such Master Obligations pursuant to this Master Trust Indenture; provided, that, if such Master Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Master Trust Indenture or irrevocable provision for the giving of such notice satisfactory to the Master Trustee has been made pursuant to this Master Trust Indenture; and

(c) Master Obligations upon transfer of or in exchange for or in lieu of which other Master Obligations have been authenticated and delivered pursuant to this Master Trust Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Master Obligations have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Master Obligations owned by any Obligated Group Member or any Affiliate of any Obligated Group Member shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Master Obligations that a Responsible Officer of the Master Trustee actually knows to be so owned shall be so

disregarded. Master Obligations so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee’s right so to act with respect to such Master Obligations and that the pledgee is not an Obligated Group Member or an Affiliate of any Obligated Group Member.

“Paying Agent” means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) or interest on any Master Obligations on behalf of the Obligated Group.

“Permitted Encumbrances” means this Master Indenture, the Deeds of Trust, any Related Loan Agreement, any Related Bond Indenture and, as of any particular date:

(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 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 described in Endorsement of the lender’s title policy in favor of the Master Trustee delivered in connection with this Master Trust Indenture; provided that no such Lien may be extended, renewed or modified to apply to any Property of a Member of the Obligated Group not subject to such Lien on such date, unless such Lien as so extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;

(c) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member;

(d) this Master Indenture, the Deeds of Trust and any other Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

(e) Liens granted to secure Indebtedness, as permitted by Section 4.15;

(f) 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 and beverage service facilities, gift shops, commercial, beauty shop, banking, radiology, other similar specialty services, pharmacy and similar departments or employee rental apartments; and any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm’s length transaction;

(g) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 4.05 hereof;

(h) utility, access and other easements and rights of way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the

Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(i) any mechanic's, laborer's, materialmen's, broker's, appraiser'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 60 days, or if such Lien is being contested in accordance with the provisions of the Master Indenture;

(j) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof;

(k) zoning laws and similar restrictions which are not violated by the Property affected thereby;

(l) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(m) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(n) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(o) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(p) Liens on moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment, prepayment or similar funds deposited by or on behalf of such residents;

(q) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(r) any security interest in a 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 Supplement, Related Bond Indenture or Related Loan Agreement in favor of the Master Trustee, a Related Bond Trustee or the holder of the Indebtedness issued pursuant to such Supplement, Related Bond Indenture or Related Loan Agreement;

(s) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures an obligation of such Member to the provider of a Credit Facility or Liquidity Facility;

(t) 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 Property that is pledged pursuant to Granting Clause Second of this Master Indenture, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value subject to such Lien as determined in good faith by the Governing Body of the Member;

(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, 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 value, operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member; or

(v) such Liens as are required to be granted by Article 64 of Chapter 58 of the North Carolina General Statutes, as amended.

Notwithstanding the foregoing or anything to the contrary in this Master Indenture, with respect to the Mortgaged Property, the Lien of the Deeds of Trust shall only be subject to the matters disclosed in the Title Policy described in each such Deed of Trust, and no Lien arising thereafter, even if a Permitted Encumbrance, shall be superior to the Lien of the Deeds of Trust.

"Permitted Investments" means dollar denominated investments, to the extent permitted by law, in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision and (ii) at the time of purchase rated by any Rating Agency in one of the three highest categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank or (ii) backed by the full faith and credit of the United States of America;

(d) United States denominated deposit accounts, certificates of deposit and banker's acceptances with domestic commercial banks, including the Master Trustee or its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "A 1" by Standard & Poor's, "F 1" by Fitch or "P 1" by Moody's, without regard to gradation and which mature not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification "A 1" by Standard & Poor's, "F 1" by Fitch or "P 1" by Moody's, without regard to gradation and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which (i) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature or (ii) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by such Rating Agency; provided that if at any time after purchase the provider of the investment agreement drops below one of the three highest rating categories assigned by all Rating Agencies then rating such non-bank financial institution, the investment agreement must, within 30 days, either (x) be assigned to a provider rated in one of the three highest rating categories or (y) be secured by the provider with collateral securities the fair market value of which, in relation to the amount of the investment agreement, including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clauses (b) and (c) above, which agreements may be entered into with a bank (including, without limitation, the Related Bond Trustee or the Master Trustee), a trust company, a financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Related Bond Trustee or the Master Trustee's agent; and

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000 and having a rating of AAAm or AAAm-G by a Rating Agency, including money market mutual funds from which the Master Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (even if any rating is downgraded), absent receipt by a Responsible Officer of the Master Trustee of written notice to the contrary. To the extent such investment is no longer a Permitted Investment, the Obligated Group Representative shall

promptly provide the Master Trustee an Obligated Group Representative Request with respect to any such investment pursuant to Section 3.02 herein.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

"Personal Property" means the Property described in GRANTING CLAUSE FIRST hereof.

"Phase II Expansion Site" means the Phase II Site, as defined in the Security Deed.

"Place of Payment" for a series of Master Obligations means a city or political subdivision designated as such pursuant to this Master Trust Indenture or a Supplement.

"Premises" means the Mortgaged Property described in the Security Deed.

"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 for the Long-Term 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 not less than three obligations (or such lesser number as the Consultant shall deem appropriate, but in no event less than one) selected by such Consultant the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation), which obligations such Consultant states in its report are reasonable comparators to utilize in developing such Projected Rate and which obligations (a) 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, (b) 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, (c) are not entitled to the benefits of any credit enhancement (including, without limitation, any letter or line of credit or insurance policy) if the obligation for which the Projected Rate is being determined is not benefited by any credit enhancement and (d) 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 by a Person.

"Property, Plant and Equipment" means all Property of each Member which is classified as property, plant and equipment under GAAP.

"Rating Agency" means, as applicable, Moody's, Standard & Poor's or Fitch.

“Related Bond Indenture” means any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued including, without limitation, the Series 2017 Bond Indenture.

“Related Bond Trustee” means the bond trustee and its successor in the trust created under any Related Bond Indenture, including, without limitation, the Series 2017 Bond Trustee.

“Related Bonds” means the Series 2016 Bonds, the Series 2017 Bonds, and any other revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (“governmental issuer”), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to any Obligated Group Member in consideration of the execution, authentication and delivery of a Master Obligation to or for the order of such governmental issuer.

“Related Bonds Debt Service Reserve Fund” means a debt service reserve fund established pursuant to a Related Bond Indenture to secure payment on any Related Bonds.

“Related Loan Agreement” means the Series 2017 Loan Agreement and any other loan agreement, lease agreement, financing agreement, credit agreement or other comparable instrument entered into in connection with a series of Related Bonds.

“Required Information Recipient” means the Master Trustee, each Related Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, the Initial Purchaser, the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the Securities and Exchange Commission from time to time to act as a recognized municipal securities repository and all beneficial owners of Related Bonds who own \$500,000 or more in principal amount of Related Bonds and request such reports in writing (which written request shall include a certification as to such beneficial ownership).

“Residence and Services Agreement” means each and every contract, including, without limitation, any “reservation agreement” or “Residence and Services Agreement,” as amended from time to time, between an Obligated Group Member and a resident of the Facilities giving the resident certain rights of occupancy in the Facilities, including, without limitation, the Independent Living Units, personal care units, skilled nursing beds or specialty care (dementia) beds and providing for certain services to such resident.

“Responsible Officer” means, when used with respect to the Master Trustee, the officer of the Master Trustee at its Corporate Trust Office having direct responsibility for administration of this Master Trust Indenture and also means, with respect to a particular corporate trust matter, any other officer of the Master Trustee to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the Revenue Fund created by Section 3.01 hereof.

“Revenues” means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including

investment income), plus (iv) Entrance Fees (other than Initial Entrance Fees) 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 GAAP; but excluding in either case (1) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments, (2) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (3) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (4) any revenues recognized from deferred revenues related to Entrance Fees, (5) insurance (other than business interruption) and condemnation proceeds, and (6) proceeds of any borrowing; 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 under this Master Trust Indenture, any withdrawal from the Working Capital Fund created under Supplement Number 5 shall be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“RLA” means Retirement Living Associates, Inc., a North Carolina corporation.

“Sears Farm” means Sears Farm, LLC, a North Carolina limited liability company.

“Sears Farm Guaranty” means the Second Amended and Restated Guaranty Agreement dated July 31, 2019, by Sears Farm in favor of the Master Trustee for the benefit of the Holder of Series 2016 Obligation. The Sears Farm Guaranty is a nonrecourse guaranty secured by the Sears Farm Deed of Trust.

“Sears Farm Deed of Trust” means the Second Amended and Restated Deed of Trust dated July 31, 2019 from Sears Farm to the deed of trust trustee named therein for the benefit of the Master Trustee.

“Security Deed” means the Third Amended and Restated Deed of Trust, dated July 31, 2019, from the Obligor to Stewart Title Company, as trustee, for the benefit of the Master Trustee, recorded in the Wake County, North Carolina real estate records.

“Series 2012 Subordinated Obligations” means the Master Obligations of the Obligor pursuant to and described in Supplement Number 1: (i) the MatchCap Obligation in the initial principal amount of \$6,800,000 (ii) the Sears Farm Obligation in the initial principal amount of \$3,383,000, (iii) the Greenbrier Deferred Fees in the initial principal amount of \$500,000, (iv) the RLA Deferred Fees in the initial principal amount of \$700,000, (v) the Sears Farm Deferred Fees in the initial principal amount of \$993,000, (vi) the SearStone-RLA Deferred Fees in the initial principal amount of \$400,000, and (vii) the SHKW Deferred Fees in the initial principal amount of \$711,000.

“Series 2016 Bond Indenture” means the Amended and Restated Indenture of Trust, dated July 31, 2019, between the Public Finance Authority and the Series 2016 Bond Trustee, relating to the Series 2016 Bonds.

“Series 2016 Bond Trustee” means UMB Bank, National Association, as bond trustee under the Series 2016 Bond Indenture.

“Series 2016 Bonds” means Public Finance Authority Revenue Bonds (SearStone CCRC Project) Series 2016 in the aggregate principal amount of \$8,000,000.

“**Series 2016 Obligation**” means the Series 2016 Obligation of the Obligor, dated July 31, 2019, in the principal amount of \$8,000,000, issued under Supplement Number 2 to secure repayment of the Series 2016 Bonds.

“**Series 2017 Bond Indenture**” means the Amended and Restated Bond Trust Indenture, dated July 31, 2019, between the Series 2017 Related Bond Issuer and the Series 2017 Bond Trustee, relating to the Series 2017 Bonds.

“**Series 2017 Bond Trustee**” means UMB Bank, National Association, as bond trustee under the Series 2017 Bond Indenture.

“**Series 2017 Bonds**” means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

“**Series 2017A Bonds**” means the Public Finance Authority Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, issued pursuant to the Series 2017 Bond Indenture.

“**Series 2017B Bonds**” means the Public Finance Authority Revenue Bonds (SearStone CCRC Project) Series 2017B, issued pursuant to the Series 2017 Bond Indenture.

“**Series 2017 Loan Agreement**” means the Amended and Restated Loan Agreement, dated July 31, 2019, between the Series 2017 Related Bond Issuer and the Obligor, relating to the Series 2017 Bonds.

“**Series 2017 Master Obligation**” means the 2017 Master Obligation of the Obligor, dated July 31, 2019, in the principal amount of \$77,195,000, issued under Supplement Number 3 to secure repayment of the Series 2017 Bonds.

“**Series 2017 Related Bond Issuer**” means the Public Finance Authority, a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin.

“**Short Term Indebtedness**” means Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“**Short Term Resident Note**” means a note or other debt instrument which matures within 365 days payable to an Obligated Group Member executed by a current or future resident that is a party to a Residence and Services Agreement.

“**Stable Occupancy**” means, in connection with the incurrence of Additional Indebtedness for any Capital Addition, an average occupancy of 85% during the period in question.

“**Standard & Poor’s**” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to the Master Trustee.

“**Stated Maturity**” means, when used with respect to any Indebtedness or any installment of interest thereon, any date specified in the instrument evidencing such Indebtedness or such installment of

interest as a fixed date on which the principal of such Indebtedness or any installment thereof or the fixed date on which such installment of interest is due and payable.

“**Subordinated Indebtedness**” means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation the terms of the documents providing for the issuance of which expressly provide that all payments on such indebtedness shall be subordinated to the timely payment of all Master Obligations, except Master Obligations that are or evidence other Subordinated Indebtedness, whether currently Outstanding or subsequently issued, and which contain the provisions described in Section 3.05 hereof. The Series 2012 Subordinated Obligations constitute Subordinated Indebtedness.

“**Supplement**” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Trust Indenture.

“**Supplement Number 1**” means Amended and Restated Supplemental Indenture Number 1, dated July 31, 2019, between the Obligor and Wells Fargo Bank, National Association, succeeded by UMB Bank, National Association, as Master Trustee.

“**Supplement Number 2**” means Amended and Restated Supplemental Indenture Number 2, dated July 31, 2019, between the Obligor and the Master Trustee.

“**Supplement Number 3**” means Amended and Restated Supplemental Indenture Number 3, dated July 31, 2019, between the Obligor and the Master Trustee.

“**Supplement Number 5**” means Supplemental Indenture Number 5, dated as of October 1, 2021, between the Obligor and the Master Trustee.

“**Tax-Exempt Organization**” means a Person organized under the laws of the United States of America or any state thereof that is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code or corresponding provisions of federal income tax laws from time to time in effect.

“**Testing Date**” shall have the meaning ascribed to it in Section 4.18 hereof.

“**Threshold Amount**” means the greater of (a) 5% of Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (b) \$1,000,000 plus an amount equal to \$1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of December 31, 2017. The determination of such amount shall be made by the Obligated Group Representative.

“**Title Policy**” means title insurance in the form of an ALTA mortgagee’s title policy issued by a title insurance company in favor of the Master Trustee in the face amount at least equal to the principal amount of the Outstanding Master Obligations (other than Master Obligations evidencing Subordinated Indebtedness), less the balance of any debt service reserve fund for the benefit of Outstanding Master Obligations, insuring that the Master Trustee has a valid lien in the Mortgaged Property subject only to Permitted Encumbrances.

“**Trust Estate**” has the meaning given such term in the Granting Clauses hereof.

“**Uniform Commercial Code**” shall mean, North Carolina’s Uniform Commercial Code, as amended from time to time.

“**Unrestricted Contributions**” means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“**Working Capital Fund**” means any working capital fund or account established pursuant to a Supplement in connection with the financing of a Capital Addition.

Section 1.02. Compliance Certificates and Reports

Whenever the amount or date of any of the following is a condition to the taking of any action permitted hereby:

(a) Estimated Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any future Fiscal Year shall be established by a certificate or report of a Consultant stating the amount of such estimated item based upon assumptions provided by such Person and stating that such assumptions are, in the opinion of the Consultant, reasonable;

(b) any of:

- (i) Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any prior Fiscal Year or period,
- (ii) Maximum Annual Debt Service of any Person, and
- (iii) principal of and interest on any Indebtedness

shall be established by an Officer’s Certificate of the Obligated Group Representative stating the amount of such item and that such amounts have been derived from either the most recent financial statements of the Obligated Group delivered to the Master Trustee pursuant to Section 4.14 hereof or, for any period other than a prior Fiscal Year, from the internally prepared financial statements of the Obligated Group for such period;

(c) the anticipated date of completion of any construction project of any Person shall be established by an Officer’s Certificate of the Obligated Group Representative; and

(d) securities shall include any amounts invested in marketable securities, whether classified as short term or long term assets.

All calculations required to be made hereunder with respect to the Obligated Group shall be made after elimination of intercompany items on a combined basis. The character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes hereof shall be determined or made in accordance with GAAP in effect on the date hereof or, at the option of the Obligated Group Representative, at the time in effect (provided that GAAP is applied consistently with the requirements existing either on the date hereof or at the time in effect), except that assets, liabilities, items of income and expenses of Affiliates which are not included in the Obligated Group shall not be taken into account, and except where such principles are inconsistent with the requirements of this Master Trust Indenture; provided, however, that there shall not be included in any calculation any item otherwise required to be included in such calculation with respect to any Person which has withdrawn or is withdrawing from the Obligated Group.

Section 1.03. Form of Documents Delivered to Master Trustee

Upon any request or application by the Obligated Group to the Master Trustee to take any action under this Master Trust Indenture, and if requested by the Master Trustee, the Obligated Group shall furnish to the Master Trustee (a) an Officer’s Certificate stating that, in the opinion of the signer, all conditions precedent and covenants, if any, provided for in this Master Trust Indenture relating to the proposed action have been satisfied; and (b) an Opinion of Counsel stating that, in the opinion of such counsel (who may rely upon an Officer’s Certificate as to matters of fact), all such conditions precedent and covenants have been satisfied.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel or Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Trust Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04. Acts of Holders of Master Obligations

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Trust Indenture to be given or taken by Holders of Master Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of Master Obligations in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee and, where it is hereby expressly required, to the Obligated Group Representative. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders of Master Obligations signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Master Trust Indenture and conclusive in favor of the Master Trustee and the Obligated Group Members, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership of Master Obligations shall be proved by the Obligation Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Master Obligation shall bind every future Holder of the same Master Obligation and the Holder of every Master Obligation issued upon the transfer thereof or in exchange thereof or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Obligated Group Members in reliance thereon, whether or not notation of such action is made upon such Master Obligation.

Section 1.05. Notices, etc. to Master Trustee and Obligated Group Members

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Master Obligations or other document provided or permitted by this Master Trust Indenture to be made upon, given or furnished to or filed with:

(a) the Master Trustee by any Holder of Master Obligations or by any specified Person shall be sufficient for every purpose hereunder if actually received by the Master Trustee at the Corporate Trust Office, or at any other address previously furnished in writing to the Obligated Group Members and the Holders of Master Obligations by the Master Trustee;

(b) the Obligated Group Members by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Obligated Group Representative addressed to it at Samaritan Housing Foundation, Inc., 1201 West Peachtree Street, NE, Suite 3250, Atlanta, Georgia 30309, Attention: President, or at any other address previously furnished in writing to the Master Trustee by the Obligated Group Representative; or

(c) any Obligated Group Member by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, registered or certified first class postage prepaid, to the Obligated Group Member addressed to it at the address specified in the Supplement executed by such Obligated Group Member or at any other address previously furnished in writing to the Master Trustee by such Obligated Group Member.

(d) Notwithstanding the above, in the case of any notice given by the Master Trustee by Electronic Means pursuant to the provisions of this Master Trust Indenture, the Master Trustee shall have no duty or obligation to verify or confirm receipt by the Person to whom the notice is directed; provided, however, the Master Trustee shall (i) verify that the Electronic Means address matches an Electronic Means address previously provided to the Master Trustee in accordance with the policies and procedures of the Master Trustee, and (ii) take notice if an error message is received by the Master Trustee indicating a delivery delay or failure has resulted, in which case the notice shall be given by means other than Electronic Means. Further, the Master Trustee shall have no duty or obligation to verify or confirm that the person who sent any instructions or directions to the Master Trustee by Electronic Means is, in fact, a person authorized to give instructions or directions on behalf of the sender (other than to verify that the sender purports to be a person authorized to give instructions and directions on behalf of the entity); and the Master Trustee shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Obligated Group as a result of such reliance upon or compliance with such instructions or directions. The Obligated Group agrees to assume all risks arising out of the use of Electronic Means or facsimile transmission 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 1.06. Notices to Holders of Master Obligations; Waiver

Where this Master Trust Indenture provides for notice to Holders of Master Obligations of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder of such Master Obligations, at its address as it appears on the Obligation Register, not later than the latest date, and not earlier than the earliest date, prescribed for the transmission of such notice; provided, however, if notice is permitted by the terms of this Master Trust Indenture to be sent by Electronic Means, the provisions of Section 1.05 hereof shall apply. Where this Master Trust Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Master Obligations shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.07. Notices to Rating Agencies

If any Related Bonds are then rated by a Rating Agency, the Obligated Group Representative shall give prompt notice to such Rating Agency of any of the following events:

- (a) any Event of Default hereunder;
- (b) the incurrence by any Obligated Group Member of any Long-Term Indebtedness;
- (c) entering into any Interest Rate Agreement; and
- (d) any addition to or withdrawal from the Obligated Group.

Section 1.08. Effect of Headings and Table of Contents

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09. Successors and Assigns

All covenants and agreements in this Master Trust Indenture by the Obligated Group Members shall bind their respective successors and assigns, whether so expressed or not.

Section 1.10. Separability Clause

In case any provision in this Master Trust Indenture or in the Master Obligations shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11. U.S.A. PATRIOT Act

The Obligated Group acknowledges that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Master Trustee, 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 the Master Trustee. The parties to this Master Trust Indenture agree that they will provide the Master Trustee with such information as it may request in order for the Master Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

[End of Article I]

ARTICLE II THE MASTER OBLIGATIONS

Section 2.01. Series and Amount of Master Obligations

(a) Master Obligations shall be issued under this Master Trust Indenture in series created by Supplements permitted hereunder. Each series shall be designated to differentiate the Master Obligations of such series from the Master Obligations of any other series. No Master Obligations issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness); provided, however, that the provision of a Hedge Agreement or Credit Facility or the establishment of a debt service reserve fund or account for the sole benefit of the Holders of certain Master Obligations shall be permitted; provided, further, that the Sears Farm Guaranty and the Sears Farm Deed of Trust shall be held by the Master Trustee for the sole benefit of the Holder of the Series 2016 Obligation and all proceeds therefrom shall be transferred to the Holder of the Series 2016 Obligation for application pursuant to the Series 2016 Bond Indenture; provided, further, that the Interest Reserve Fund shall be held by the Master Trustee for the sole benefit of the Holders of the Series 2016 Obligation and the Series 2017 Master Obligation. The number of series of Master Obligations that may be created under this Master Trust Indenture is not limited. The aggregate principal amount of Master Obligations of each series that may be created under this Master Trust Indenture is not limited except as restricted by Supplement and the provisions of Article IV of this Master Trust Indenture. Master Obligations shall be issued only in registered form.

(b) Any Obligated Group Member proposing to incur Indebtedness subsequent to the issuance of the Series 2017 Master Obligation, whether evidenced by Master Obligations issued pursuant to a Supplement or by evidences of Indebtedness issued pursuant to documents other than this Master Trust Indenture, shall give written notice of its intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred, to the Obligated Group Representative and the other Obligated Group Members. The Obligated Group Representative shall provide the Master Trustee with a copy of any such notice it receives prior to the date such Indebtedness is to be incurred. Any such Obligated Group Member, other than the Obligated Group Representative, proposing to incur such Indebtedness subsequent to the issuance of the Series 2017 Master Obligation, shall obtain the written consent of the Obligated Group Representative, which consent shall be evidenced by an Officer's Certificate of the Obligated Group Representative filed with the Master Trustee or an endorsement to such Indebtedness signed by the Obligated Group Representative, stating compliance of such Indebtedness with this Master Trust Indenture.

Section 2.02. Appointment of Obligated Group Representative

Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative (a) full and exclusive power to execute Supplements authorizing the issuance of Master Obligations or series of Master Obligations, (b) full and exclusive power to execute Master Obligations for and on behalf of the Obligated Group and each Obligated Group Member, (c) full and exclusive power to execute Supplements on behalf of the Obligated Group and each Obligated Group Member pursuant to Sections 9.01 and 9.02 hereof, and (d) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Master Obligations hereunder or Related Bonds associated therewith and to execute and deliver such items to the appropriate parties in connection therewith.

Section 2.03. Execution and Authentication of Master Obligations

All Master Obligations shall be executed for and on behalf of the Obligated Group and the Obligated Group Members by an Authorized Obligor Representative of the Obligated Group Representative. The signature of any such Authorized Obligor Representative may be manual or may be mechanically or photographically reproduced on the Master Obligation. If any Authorized Obligor Representative whose signature appears on any Master Obligation ceases to be such Authorized Obligor Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such Authorized Obligor Representative had remained in office until such delivery. Each Master Obligation shall be manually authenticated by an authorized officer of the Master Trustee, without which authentication no Master Obligation shall be entitled to the benefits hereof, and shall be dated the date of its authentication.

The Master Trustee's authentication certificate shall be substantially in the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Master Obligation is one of the Master Obligations referred to in the aforementioned Master Trust Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION,**
as Master Trustee

By: _____
Authorized Signatory

Section 2.04. Supplement Creating Master Obligations

The Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee may from time to time enter into a Supplement in order to create Master Obligations hereunder. Each Supplement authorizing the issuance of Master Obligations shall specify and determine the date of the Master Obligations, the principal amount thereof, the purposes for which such Master Obligations are being issued, the form, title, designation and manner of numbering or denominations, if applicable, of such Master Obligations, the date or dates of maturity of such Master Obligations, the rate or rates of interest (or method of determining the rate or rates of interest) and premium, if any, borne by such Master Obligations, the arrangement for place and medium of payment and any other provisions deemed advisable or necessary, and any of the foregoing terms may be incorporated into such Supplement by reference. Each Master Obligation shall be issuable, shall be transferable and exchangeable and shall be subject to redemption as specified in this Master Trust Indenture and in the Supplement. Any Master Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the aggregate principal amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Unless a Master Obligation has been registered under the Securities Act of 1933, as amended (or similar legislation subsequently enacted), each such Master Obligation shall be endorsed with a legend which shall read substantially as follows: "This [describe Master Obligation] has not been registered under the Securities Act of 1933 or any state securities law;" provided, however, such legend shall not be required if the Master Trustee is provided with an Opinion of Counsel to the effect that such legend is not required.

A Supplement and the Master Obligations issued thereunder may contain, as applicable, provisions relating to a Credit Facility, as well as any and all compatible provisions necessary in order to

make the Master Obligations meet the requirements of an issuer of such Credit Facility. Similarly, a Supplement may provide for Master Obligations to be issued in fixed or variable rate forms, as the case may be, with such tender and redemption provisions as may be deemed necessary for the issuance thereof and provide for the execution of required documents necessary for such purposes, and may specifically subordinate payment, remedies and any other provisions of the Master Obligations issued thereunder to the provisions of any other Master Obligations.

Section 2.05. Conditions to Issuance of Master Obligations Hereunder

With respect to Master Obligations created hereunder subsequent to the issuance of the Series 2017 Master Obligation, simultaneously with or prior to the execution, authentication and delivery of Master Obligations pursuant to this Master Trust Indenture:

(a) The Obligated Group Representative shall have delivered to the Master Trustee the written consent of the Majority Holders;

(b) The Obligated Group Representative (on behalf of the Obligated Group and the Obligated Group Members) and the Master Trustee shall have entered into a Supplement as provided in Section 2.04 hereof, and all requirements and conditions to the issuance of such Obligations set forth in the Supplement and in this Master Indenture, including, without limitation, the provisions of Section 4.15 hereof, shall have been complied with and satisfied, as provided in an Officer's Certificate of the Obligated Group Representative, a copy of which shall be delivered to the Master Trustee; and

(c) The Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (1) registration of such Obligations under the Securities Act of 1933, as amended, and qualification of this Master Indenture or the Supplement under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with, and (2) this Master Indenture and the Obligations are valid, binding and enforceable obligations of each of the Obligated Group Members in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally, usual equity principles and other customary exclusions.

(d) The Obligated Group Representative shall have delivered to the Master Trustee an endorsement to the mortgagee title insurance policy insuring the Corporation Deed of Trust (and the Sears Farm Deed of Trust if still in effect) increasing, if necessary, the amount of the coverage to an amount equal to the principal amount of the Outstanding Obligations plus the principal amount of such additional Obligations.

(e) The Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Bond Counsel to the effect that such Obligations will not adversely affect the exclusion from gross income of interest on any Related Bonds.

Section 2.06. List of Holders of Master Obligations

The Master Trustee shall keep on file at its office the Obligation Register which shall consist of a list of the names and addresses of the Holders of all Master Obligations. After reasonable notice to the Master Trustee, at reasonable times and under reasonable regulations established by the Master Trustee, the Obligation Register may be inspected and copied by any Obligated Group Member, the Holder of any Master Obligation or the Authorized Obligor Representative; provided that the ownership by such Holder

and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 2.07. Optional and Mandatory Redemption

Master Obligations of each series may be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity, as provided in the Supplement creating such series, but not otherwise.

Section 2.08. Mutilated, Destroyed, Lost and Stolen Master Obligations

If (a) any mutilated Master Obligation is surrendered to the Master Trustee, or the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Master Obligation, and (b) there is delivered to the Master Trustee and the Obligated Group Representative such security or indemnity as may be required by the Master Trustee and the Obligated Group Representative to save it and the Obligated Group harmless, then, in the absence of notice to the Obligated Group Representative or the Master Trustee that such Master Obligation has been acquired by a bona fide purchaser, the Obligated Group Representative shall execute and upon its written request the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Master Obligation a new Master Obligation of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Master Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may, instead of issuing a new Master Obligation, pay such Master Obligation.

Upon the issuance of any new Master Obligation under this Section, the Obligated Group Representative and the Master Trustee 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 the fees and expenses of the Master Trustee) connected therewith.

Every new Master Obligation issued pursuant to this Section in lieu of any destroyed, lost or stolen Master Obligation shall constitute an original additional contractual obligation of the maker thereof, whether or not the destroyed, lost or stolen Master Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Trust Indenture equally and proportionately with any and all other Master Obligations duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Master Obligations.

Section 2.09. Cancellation

All Master Obligations surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already canceled or required to be otherwise delivered by the terms of the Supplement authorizing the series of Master Obligations of which such Master Obligation is a part, shall be promptly canceled by it. The Obligated Group Representative may at any time deliver to the Master Trustee for cancellation any Master Obligations previously authenticated and delivered hereunder, which the Obligated Group Representative may have acquired in any manner whatsoever, and all Master Obligations so delivered shall be promptly canceled by the Master Trustee. No Master Obligations shall be authenticated in lieu of or in exchange for any Master Obligations canceled as provided in this Section, except as expressly

permitted by this Master Trust Indenture. All canceled Master Obligations held by the Master Trustee shall be treated by the Master Trustee in accordance with its current document retention policies.

[End of Article II]

**ARTICLE III
FUNDS AND ACCOUNTS**

Section 3.01. Revenue Fund

(a) If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five days, the Master Trustee shall establish a fund called the "Samaritan Housing Foundation, Inc. - Revenue Fund" and each Obligated Group Member shall deposit with the Master Trustee all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrances) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no default under Section 7.01(a) of this Master Trust Indenture or in the payment of any other Master Obligations then exists or such default has been waived in accordance with the terms hereof.

(b) On the fifth Business Day preceding the end of each month in which any Obligated Group Member has made payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(i) If the principal of all the Master Obligations has not been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due in the next succeeding month to the Master Trustee under this Master Trust Indenture;

Second: to an operating account designated by the Obligated Group Representative (which shall be subject to the lien of this Master Trust Indenture), the amount the Obligated Group Representative certifies is necessary to pay the Expenses due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget, followed by payment of Entrance Fee refunds to residents to the extent required under entrance fee agreements;

Third: to the payment of the amounts then due and unpaid upon the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively;

Fourth: to restore any deficiency in the Debt Service Reserve Fund;

Fifth: to the payment of the amounts then due and unpaid upon the Master Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: any balance shall be kept in the Revenue Fund for application as set forth in items First through Fifth of this subsection; upon delivery to the Master Trustee of an Officer's Certificate to the effect that (i) items First through Fifth of this subsection have been fully funded, (b) there is no Event of Default, and (c) after giving effect to such distribution,

the Obligated Group will be in compliance with the Liquidity Requirement, and as of the last required calculation, the Obligated Group was in compliance with the Debt Service Coverage Ratio Covenant, all or a portion of such balance shall be distributed to or as directed by the Obligated Group Representative.

(ii) If the principal of all the Master Obligations has been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due the Master Trustee under this Master Trust Indenture;

Second: to the payment of unpaid interest on the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness;

Third: to the payment of unpaid principal of the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness;

Fourth: if directed in writing by the Majority Holders, to the payment of the Expenses that the Obligated Group Representative certifies are due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget;

Fifth: to the payment of unpaid interest on the Master Obligations constituting Subordinated Indebtedness;

Sixth: to the payment of unpaid principal of the Master Obligations constituting Subordinated Indebtedness; and

Seventh: To the Obligated Group Representative.

(c) The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 7.08 hereof. Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in accordance with Section 3.02 hereof. All such investments shall have a maturity not greater than 91 days from the date of purchase.

(d) Except as described in Section 3.01(a) above and except as required to pay any amounts under this Master Trust Indenture, each Obligated Group Member shall be entitled to full possession and use of its Gross Revenues other than any Entrance Fees then required to be deposited into an Entrance Fee Fund established by a Supplement.

(e) Notwithstanding the foregoing, the Majority Holders shall have the right to direct the Master Trustee to alter the priority of any payments from the Revenue Fund or to direct the Master Trustee to withhold any payments from the Revenue Fund.

Section 3.02. Investment of Funds

Any moneys held by the Master Trustee hereunder, including any fund or account established pursuant to any Supplement, shall be invested or reinvested by the Master Trustee in Permitted Investments (i) selected by the Obligated Group Representative upon the receipt of an Obligated Group Representative Request or (ii) upon the occurrence of an Event of Default, selected in writing by Majority Holders, upon which the Master Trustee is entitled to rely. Absent such written request and direction, the

Master Trustee shall invest and re-invest in Permitted Investments described in clause (i) of the definition thereof. Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee, at such times as it is anticipated by the Obligated Group Representative that moneys from the particular fund will be required for the purposes of this Master Trust Indenture. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor under such investment is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its affiliates. The Master Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Master Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades. Confirmations of investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered.

The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Master Trust Indenture. The Master Trustee shall make copies of such records available to the Obligated Group Representative upon its reasonable written request.

Section 3.03. Allocation and Transfers of Investment Income

Any investments in any fund or account shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the fund or account from which the investment was made. Any loss resulting from such investments shall be charged to such fund or account.

Section 3.04. Master Trustee Relieved From Responsibility

The Master Trustee shall be fully protected in relying upon any Obligated Group Representative Request relating to investments in any fund, shall not be liable for any losses or prepayment penalties as a result of complying with any such Obligated Group Representative Request and shall not be required to ascertain any facts with respect to such Request.

Section 3.05. Subordinated Indebtedness

(a) Series 2012 Subordinated Obligations will be paid in accordance with Section 9.01 of Supplement Number 1; provided, however, that notwithstanding the provisions of Section 9.01 of Supplement Number 1, Series 2012 Subordinated Obligations may be paid in accordance with Supplement Number 5. Any other Subordinate Indebtedness will be paid in accordance with paragraphs (b) through (d) of this Section 3.05.

(b) An Obligated Group Member will not make payments of principal of or interest on Subordinated Indebtedness in addition to the Series 2012 Subordinated Obligations more than quarterly and only if the following conditions are satisfied with respect to any quarter in which such payments are to be made:

- (i) All Short-Term Indebtedness has been paid in full;
- (ii) the Obligated Group has not less than 300 Days Cash on Hand, after giving effect to such payment, as of such date;

(iii) the Debt Service Coverage Ratio for the preceding four consecutive fiscal quarters was not less than 1.35;

(iv) the Obligated Group delivers a certification by the Obligated Group Representative that

(A) no deficiency exists in any bond fund or debt service reserve fund relating to any Outstanding Master Obligations or Related Bonds

(B) the average occupancy of all independent living units in the Facilities has been at least 90% for the preceding 12 months; and

(C) no Event of Default has occurred and is continuing under the Master Indenture and no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under the Master Indenture

(c) All payments on Subordinated Indebtedness in a fiscal period shall be subordinated to all payments due on any Master Obligations Outstanding in such period, except for Master Obligations evidencing other Subordinated Indebtedness.

(d) Payments of principal and interest on Subordinated Indebtedness which are not permitted to be paid pursuant to the foregoing requirements shall be deferred but, unless otherwise provided in a Supplement governing such Subordinated Indebtedness, shall be subject to accrual of interest during the period of deferral. Subordinated Indebtedness may not be accelerated without the prior written consent of the Holder of each Master Obligation Outstanding that does not constitute Subordinated Indebtedness.

Section 3.06. Debt Service Reserve Fund

(a) Pursuant to this Section 3.06 and any Supplement directing that a Debt Service Reserve Fund be established or maintained as security for a Master Obligation issued thereunder, the Master Trustee shall establish and maintain one or more Debt Service Reserve Funds as security for one or more Master Obligations issued hereunder.

(b) Each Debt Service Reserve Fund may serve as security for only one Master Obligation issued hereunder or may serve as security for more than one Master Obligation issued hereunder, in which case all Master Obligations secured by such Debt Service Reserve Fund shall be secured equally and ratably by the amounts on deposit in such Debt Service Reserve Fund (i.e., such Debt Service Reserve Fund shall not serve as security for Subordinated Indebtedness); provided, however, that no Debt Service Reserve Fund shall serve as security for one or more Master Obligations that secure tax-exempt Related Bonds and one or more Obligations that evidence or secure taxable Indebtedness or Related Bonds.

(c) Upon establishment of a Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, money in an amount equal to the Debt Service Reserve Fund Requirement to the Master Trustee for deposit into such Debt Service Reserve Fund. After the establishment of a Debt Service Reserve Fund, if a Supplement provides that a Master Obligation issued thereunder shall be secured by such Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, to the Master Trustee for deposit into such Debt Service Reserve Fund money in an amount equal to the difference between the Debt Service Reserve Fund Requirement (after

giving effect to the issuance of such Master Obligation) and the amount then on deposit in such Debt Service Reserve Fund.

(d) If a Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall establish an account within such Debt Service Reserve Fund for each source of money deposited in such fund, such as proceeds of Related Bonds secured by, or Indebtedness evidenced by, a Master Obligation or other money of Obligated Group Members, and deposit the money obtained from each such source in the appropriate account. Such accounts shall be established solely for the convenience of the Obligated Group Members in maintaining an accounting of the uses and applications of such funds under the provisions of applicable federal and state law, and shall equally and ratably secure all Master Obligations for which such Debt Service Reserve Fund has been established.

(e) If the Holder of a Master Obligation secured by a Debt Service Reserve Fund delivers a written notice to the Master Trustee to the effect that the amount of principal or interest paid by the Obligated Group or the amount otherwise available to the Holder of such Master Obligation is less than the amount of principal or interest then due on such Master Obligation and specifying the amount of such deficiency of principal, interest or both, the Master Trustee, without further direction, shall immediately withdraw moneys from such Debt Service Reserve Fund in the amount of such deficiency and transfer such moneys to such Holder. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall withdraw the amount of such deficiency from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account. Amounts on deposit in any Debt Service Reserve Fund shall not be applied to pay principal of or interest on any Master Obligation other than the Master Obligation or Master Obligations secured thereby. The Master Trustee shall promptly provide written notice to the Obligated Group Members of any such withdrawal from any Debt Service Reserve Fund.

(f) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day of the month following a month in which money is withdrawn from a Debt Service Reserve Fund, each Obligated Group Member covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund, one-sixth (1/6th) of the amount or amounts so withdrawn until the amount then on deposit in such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement. If an additional withdrawal is made from such Debt Service Reserve Fund prior to the restoration of the initial withdrawal, such additional withdrawal shall be restored by the Obligated Group Members in equal monthly installments over the remainder of the restoration period for the initial withdrawal. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall deposit each amount paid to restore such Debt Service Reserve Fund into each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts withdrawn from each such account.

(g) If on any date of valuation pursuant to subsection (l) below the money held in a Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, including any excess created in whole or in part by the interest earnings on such Debt Service Reserve Fund, an amount equal to such excess shall be transferred by the Master Trustee to the Holder of the Master Obligation secured by such Debt Service Reserve Fund or, if more than one Master Obligation is secured by such Debt Service Reserve Fund, such excess shall be withdrawn from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account and the amount withdrawn from each account shall be paid to the Holder of the Master Obligation that secures the Related Bonds or Indebtedness that were the source of the moneys deposited in such account or to the Members of the Obligated Group if they were the source of the moneys deposited in such account; provided, however, that any excess created by a refunding (or other payment or defeasance) of a portion of any tax-exempt Related Bonds may be applied in any manner directed by the Obligated Group Representative which, in an Opinion of Bond Counsel, will not cause the interest on such tax-exempt Related Bonds to be

includable in the gross income of the owners thereof under the Code. Any such excess transferred to a Holder shall be credited against future amounts payable to such Holder by the Obligated Group Members, unless transferred to cure deficiencies therein.

(h) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, money held for the credit of a Debt Service Reserve Fund shall be continuously invested and reinvested by the Master Trustee in Permitted Investments to the extent practicable in accordance with the instructions of an Obligated Group Representative or, if no such instruction is given, in the Fidelity Treasury #696 Money Market Fund or a comparable money market fund. If accounts have been established within a Debt Service Reserve Fund, the Master Trustee may invest the money within each account separately or may use money from each account to purchase a proportionate share of an investment based on the balance then on deposit in each such account. Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, Permitted Investments deposited in a Debt Service Reserve Fund shall mature not later than two (2) years from the date on which such Permitted Investments were deposited therein. Notwithstanding the foregoing, no Permitted Investments in a Debt Service Reserve Fund may mature beyond the latest maturity date of any Related Bonds Outstanding that are secured by a Master Obligation that is secured by such Debt Service Reserve Fund at the time such Permitted Investments are deposited unless irrevocable instructions shall have been given to redeem such Permitted Investments on a date or dates not later than the latest maturity date of any such Related Bonds Outstanding. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

(i) An Obligated Group Representative shall give to the Master Trustee written directions or telephonic instructions that are confirmed immediately in writing respecting the investment of any money required to be invested under this Section 3.06 and the Master Trustee shall then invest such money under this Section as so directed by such Obligated Group Representative.

(j) Permitted Investments credited to any Debt Service Reserve Fund shall be held by or under the control of the Master Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account. The Master Trustee shall sell at the market price available or reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(k) For the purpose of determining the amount on deposit in any Debt Service Reserve Fund or account therein, Permitted Investments in which money in such fund or account is invested shall be valued (a) at face value if such Permitted Investments mature within six months from the date of valuation thereof, and (b) if such Permitted Investments mature more than six months after the date of valuation thereof at the price at which such Permitted Investments are redeemable by the holder at such holder's option if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Permitted investments minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Permitted Investments.

(l) The Master Trustee shall value the Permitted Investments in each Debt Service Reserve Fund and accounts therein established under this Section 3.06 and held by the Master Trustee three (3) business days prior to each June 30 and December 31 and at such times as shall be required in order for the Obligated Group Members to comply with federal income tax law applicable to any Related Bonds. In addition, the Permitted Investments shall be valued by the Master Trustee at any time requested by the

Obligated Group Representative on reasonable notice to the Master Trustee (which period of notice may be waived or reduced by the Master Trustee); provided, however, that the Master Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein.

(m) If upon valuation of a Debt Service Reserve Fund, the balance in such fund, including accrued interest to the date of valuation, is less than the Debt Service Reserve Fund Requirement, the Master Trustee shall compute the amount by which the Debt Service Reserve Fund Requirement exceeds such balance and shall immediately give the Members of the Obligated Group notice of such deficiency and the amount necessary to cure the same.

(n) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day preceding the end of each month (and on the fifth Business Day of each month thereafter) following the month in which a valuation made in accordance with this Section 3.06 in which the amount on deposit in such Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement due to a loss resulting from a decline in the value of Permitted Investments held for the credit of such Debt Service Reserve Fund, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund within thirty (30) days the amount by which the Debt Service Reserve Fund Requirement exceeds such balance until the amount on deposit to the credit of such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement.

(o) The Obligated Group Members covenant and agree that money on deposit in any Debt Service Reserve Fund, whether or not such money was derived from the proceeds of the sale of any tax-exempt Related Bonds or from any other sources, and whether or not any tax-exempt Related Bonds are Outstanding, (i) will not be used in a manner that would cause any tax-exempt Related Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and (ii) will be used in a manner that will cause any tax-exempt Related Bonds not to be “arbitrage bonds” within the meaning of Section 148 of the Code; provided, however, that the Master Trustee shall have no obligation to pay any amounts necessary to comply with this covenant other than from money received by the Master Trustee from the Obligated Group Members. The Master Trustee shall be fully protected in relying upon any written investment instruction given by an Obligated Group Representative and shall not be liable for any losses or prepayment penalties as a result of complying with any such instruction and shall not be required to ascertain any facts in compliance with such instruction. In the event the Obligated Group Representative is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Master Trustee pursuant to this Section 3.06, or to use such money in certain manners, in order to avoid any tax-exempt Related Bonds being considered “arbitrage bonds” within the meaning of Section 148 of the Code as such may be applicable to such tax-exempt Related Bonds at such time, the Obligated Group Representative may issue to the Master Trustee a written certificate to such effect and appropriate instructions, in which event the Master Trustee shall take such action as is set forth in such certificate and instructions, irrespective of whether the Master Trustee shares such opinion.

(p) The Master Trustee shall have a lien on all funds and accounts under this Master Trust Indenture to secure payment of its fees and expenses.

(q) Notwithstanding the foregoing, upon an Event of Default, the Master Trustee shall apply moneys held in a Debt Service Reserve Fund as directed in writing by the beneficial owners of a majority in principal amount of the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund.

(r) Pursuant to the 2017 Master Indenture, a Debt Service Reserve Fund was established, which shall be referred to as “Reserve Fund No. 1,” as security for the Series 2017 Master Obligation and

any Additional Master Obligations evidencing Indebtedness other than Subordinated Indebtedness if required by the related Supplement. Pursuant to Supplement Number 5, Reserve Fund No. 1 also shall secure the Series 2021A Master Obligation (as defined in Supplement Number 5) upon its issuance.

Section 3.07. Interest Reserve Fund

(a) The Master Trustee shall establish and maintain the Interest Reserve Fund as security for the Series 2016 Obligation and the Series 2017 Master Obligation.

(b) The Obligated Group Members have transferred money in an amount equal to \$1,500,000 to the Master Trustee for deposit into the Interest Reserve Fund.

(c) If the Holder of the Series 2016 Obligation or the Series 2017 Master Obligation delivers a written notice to the Master Trustee to the effect that the amount of interest paid by the Obligated Group or the amount otherwise available to the Holder of such Master Obligation is less than the amount of interest then due on such Master Obligation and specifying the amount of such deficiency of interest, and the Master Trustee receives the Officer's Certificate described in the following sentence, the Master Trustee, without further direction, shall immediately withdraw moneys from the Interest Reserve Fund in an amount equal to the lesser of (i) such deficiency, (ii) the Additional Interest, and (iii) the balance in the Interest Reserve Fund, and transfer such moneys to such Holder. . Before withdrawing moneys from the Interest Reserve Fund pursuant to a written notice from the Holder of the Series 2016 Obligation or the Series 2017 Master Obligation, the Master Trustee shall have received an Officer's Certificate of the Obligated Group Representative stating that, after subtracting the Additional Interest that is due from Cash and Investments, Days Cash on Hand for the most recently ended fiscal quarter that has been calculated pursuant to Section 4.18 would have been less than 60. The Master Trustee shall promptly provide written notice to the Obligated Group Members of any such withdrawal from the Interest Reserve Fund. If the balance in the Interest Reserve Fund reaches zero, the Master Trustee shall close the Interest Reserve Fund.

(d) Money held for the credit of the Interest Reserve Fund shall be continuously invested and reinvested by the Master Trustee in Permitted Investments to the extent practicable in accordance with the instructions of an Obligated Group Representative or, if no such instruction is given, in an investment described in (i) of the definition of Permitted Investments, the interest on which is excludable from gross income of the recipient thereof for federal income tax purposes. Permitted Investments deposited in the Interest Reserve Fund shall mature or be redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from the Interest Reserve Fund. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

(e) An Obligated Group Representative shall give to the Master Trustee written directions or telephonic instructions that are confirmed immediately in writing respecting the investment of any money required to be invested under this Section 3.07 and the Master Trustee shall then invest such money under this Section as so directed by such Obligated Group Representative.

(f) Permitted Investments credited to the Interest Reserve Fund shall be held by or under the control of the Master Trustee and while so held shall be deemed at all times to be part of the Interest Reserve Fund, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against the Interest Reserve Fund. The Master Trustee shall sell at the market price available or reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary so to do in order to provide moneys to make any payment or

transfer of moneys from any such fund or account. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(g) The Master Trustee shall value the Permitted Investments in the Interest Reserve Fund therein established under this Section 3.07 and held by the Master Trustee three (3) business days prior to each June 30 and December 31. In addition, the Permitted Investments shall be valued by the Master Trustee at any time requested by an Obligated Group Representative on reasonable notice to the Master Trustee (which period of notice may be waived or reduced by the Master Trustee); provided, however, that the Master Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein.

(h) The Obligated Group Members covenant and agree that money on deposit in the Interest Reserve Fund (i) will not be used in a manner that would cause any tax-exempt Related Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and (ii) will be used in a manner that will cause any tax-exempt Related Bonds not to be “arbitrage bonds” within the meaning of Section 148 of the Code; provided, however, that the Master Trustee shall have no obligation to pay any amounts necessary to comply with this covenant other than from money received by the Master Trustee from the Obligated Group Members. The Master Trustee shall be fully protected in relying upon any written investment instruction given by an Obligated Group Representative and shall not be liable for any losses or prepayment penalties as a result of complying with any such instruction and shall not be required to ascertain any facts in compliance with such instruction. In the event the Obligated Group Representative is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Master Trustee pursuant to this Section 3.07, or to use such money in certain manners, in order to avoid any tax-exempt Related Bonds being considered “arbitrage bonds” within the meaning of Section 148 of the Code as such may be applicable to such tax-exempt Related Bonds at such time, the Obligated Group Representative may issue to the Master Trustee a written certificate to such effect and appropriate instructions, in which event the Master Trustee shall take such action as is set forth in such certificate and instructions, irrespective of whether the Master Trustee shares such opinion.

(i) Upon payment in full of the Series 2016 Obligation and the Series 2017 Master Obligation, amounts held in the Interest Reserve Fund shall be disbursed to the Obligated Group.

(j) Upon the occurrence of an Event of Default, amounts in the Interest Reserve Fund shall be applied as directed by the beneficial owners of a majority in principal amount of the Series 2016 Bonds and the Series 2017 Bonds.

(k) If, based on the valuation of the investments held in the Interest Reserve Fund pursuant to paragraph (g) of this Section 3.07, the balance of the Interest Reserve Fund is greater than \$1,500,000, the amount in excess of \$1,500,000 shall be transferred first to the Debt Service Reserve Fund if there is any deficiency or a Bond Fund under a Related Bond Indenture as directed by an Obligated Group Representative Request.

[End of Article III]

ARTICLE IV COVENANTS OF THE OBLIGATED GROUP MEMBERS

Section 4.01. Title to Trust Estate and Mortgaged Property; Title Insurance

Each of the Obligated Group Members warrants that it has good and indefeasible title to its portion of the Trust Estate and the Mortgaged Property free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except Permitted Encumbrances. Each of the Obligated Group Members represents that it has the right to provide a Lien on its portion of the Trust Estate and the Mortgaged Property and to enter into this Master Trust Indenture and the Security Deed and will warrant and defend to the Master Trustee the title and the lien of this Master Trust Indenture and the Security Deed as a valid and enforceable Lien on the Trust Estate and the Mortgaged Property, and a security interest therein, subject to Permitted Encumbrances. This Master Trust Indenture and the Security Deed each constitutes a valid and subsisting lien on and security interest in the Trust Estate and the Mortgaged Property, respectively, all in accordance with the terms hereof and thereof, subject to Permitted Encumbrances.

The Obligor, prior to or simultaneously with the issuance of the Series 2017 Bonds, will furnish the Title Policy. The Obligor will furnish within the time limit specified in any binder an original of the Title Policy. Upon request, the Obligor shall furnish the Master Trustee with copies of such Title Policy. The mortgagee's title policy will insure that the Master Trustee has a valid lien on the Premises, subject only to Permitted Encumbrances. There will be deleted from the Title Policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area or other matters which would be disclosed by an accurate survey and inspection of the Premises, mechanics' and materialmen's liens, or rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policy will contain the standard zoning endorsement. In lieu of the standard zoning endorsement the Obligated Group Members may provide an Opinion of Counsel to the effect that the Facilities are properly zoned or evidence of proper zoning from appropriate government officials. Simultaneously with the issuance of any Additional Master Obligations, or any amendment to the description of the Premises in Exhibit A to the Security Deed, the Obligated Group Members will furnish an appropriate endorsement to the Title Policy to the Master Trustee. Any Net Proceeds payable to the Obligated Group Members under the Title Policy will be subject to the lien of this Master Trust Indenture, will be paid to the Master Trustee, will be held by the Master Trustee in a special trust account, will be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments and, at the Obligated Group Representative's written direction, will be used (a) to acquire or construct replacement or substitute Property within the corporate limits of the jurisdiction in which title has been lost or (b) to prepay Master Obligations. Any proceeds of the Title Policy remaining after the Master Obligations are no longer Outstanding will be paid to the Obligated Group Representative.

Section 4.02. Further Assurances

The Obligated Group Members, upon the request of the Master Trustee or any Related Bond Trustee, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Master Trust Indenture and to subject the Trust Estate to the liens and security interests hereof.

If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue, each Obligated Group Member, to the extent that Gross Revenues are not on deposit with the Master Trustee pursuant to the provisions of this Master Trust Indenture, shall cause the Master Trustee to have and maintain “control” (within the meaning of N.C.G.S. § 25-8-106 and § 25-9-104) of all deposit accounts with any depository institution maintaining such accounts wherein any Gross Revenues are on

deposit such that the security interests granted by this Master Trust Indenture herein will constitute valid and perfected security interests in such Gross Revenues in favor of the Master Trustee.

Section 4.03. Recording and Filing

The Obligated Group Members shall cause the Security Deed and all other instruments necessary to create and/or preserve the liens and security interests granted hereunder and thereunder and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and refilled in such manner and in such places as are necessary to protect the lien on and security interests in the Trust Estate and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges. Subject to Section 11.06 hereof, the Obligated Group Members hereby authorize the Master Trustee (provided that except for the filing of continuation statements in accordance with Section 11.06, Master Trustee shall have no obligation to do so) at any time and from time to time to file any financing statements, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Property of the Obligated Group Members, for the purpose of securing the lien on and security interest in the Trust Estate created pursuant to this Master Trust Indenture and the Security Deed. For purposes of such filings, the Obligated Group Members agree to furnish any information requested by the Master Trustee promptly upon request by the Master Trustee. The Obligated Group Members hereby irrevocably constitute and appoint the Master Trustee and any officer or agent of the Master Trustee, with full power of substitution, as its true and lawful attorneys in fact with full irrevocable power and authority in the place and stead of the Obligated Group Members or in the Obligated Group Members' own name to execute in the Obligated Group Members' name any documents and otherwise to carry out the purposes of this Section 4.03, to the extent that the Obligated Group Members' authorization above is not sufficient. To the extent permitted by law, the Obligated Group Members hereby ratify all acts said attorneys in fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. Furthermore, the Security Deed shall also constitute a "fixture filing" for the purpose of N.C.G.S. § 25-9-102 against all of the Trust Estate which is or to become fixtures. Information concerning the security interest herein granted may be obtained from the Obligated Group Members at the addresses of the Obligated Group Members as set forth in Section 1.05 of this Master Trust Indenture. The Obligor's identification number assigned by its state of incorporation is correctly set forth in Section 4.07 of this Master Trust Indenture. The Obligor shall promptly notify the Master Trustee of any change in its organizational identification number.

Section 4.04. Payment of Principal, Premium and Interest

The Obligated Group will duly and punctually pay the principal of (and premium, if any) and interest on the Master Obligations in accordance with the terms of the Master Obligations and this Master Trust Indenture.

Each Obligated Group Member hereby jointly and severally unconditionally guarantees the full and timely payment of the principal of, and premium, if any, and interest on all Outstanding Master Obligations which such Person has not created or otherwise made (and on which such Person is not otherwise primarily liable) in accordance with the terms thereof, whether at Stated Maturity, declaration of acceleration, call for redemption or otherwise. Such guaranty shall not be affected, modified or impaired upon the happening from time to time of any event, other than the payment of such Master Obligations (or provision therefor), including, without limitation, any of the following, whether or not with notice to, or the consent of, the guarantor:

- (a) the waiver, compromise, settlement, release or termination by any Person of the obligations evidenced by such Master Obligations or any covenant or security in support thereof;

- (b) the failure to give notice to the guarantor of the occurrence of an event of default under the terms and provisions of this Master Trust Indenture or any agreement under which such Master Obligations are created, assumed, guaranteed or secured;

- (c) any failure, omission, or delay on the part of the Master Trustee or the Holder of such Master Obligations to enforce, assert or exercise any right, power or remedy conferred on the Master Trustee or such Holder in this Master Trust Indenture or any other agreement under which such Master Obligations are created, assumed, guaranteed or secured;

- (d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement under bankruptcy or similar laws, composition with creditors or readjustment of, or other similar proceedings affecting any such guarantor or any other obligor on Master Obligations;

- (e) the invalidity, irregularity, illegality, unenforceability, or lack of value of, or any defect in any of the Master Obligations so guaranteed or any collateral security therefor; or

- (f) to the extent permitted by law, any event or action that would, in the absence of this Section, result in the release or discharge by operation of laws of such guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Master Trust Indenture.

Section 4.05. Payment of Taxes and Other Claims

Each Obligated Group Member will pay or discharge or cause to be paid or discharged before the same shall become delinquent (a) all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon it or upon its income, profits or Property and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon its Property; provided, however, that no such Person shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge or claim to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings (with enforcement of any tax lien or penalty stayed pending such contest), such Person shall have established and shall maintain adequate reserves on its books for the payment of the same and such Property is not jeopardized as a result of nonpayment.

Section 4.06. Maintenance of Properties

Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear, casualty, condemnation and acts of God excepted. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Obligated Group Representative may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent any such Person from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person (and in the opinion of the Governing Body of such Person if the Property involved is any substantial part of the properties of such Person taken in the aggregate), desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Master Obligations.

Section 4.07. Corporate Existence; Status of Obligated Group Members

(a) Subject to Section 5.01 hereof, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that no Person shall be required to preserve any right or franchise if the Governing Body of such Person shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Master Obligations.

(b) The Obligor's exact legal name is correctly set forth at the beginning of this Master Trust Indenture, and the Obligor is an organization of the type specified in the first paragraph of this Master Trust Indenture. The Obligor is formed or incorporated in or organized under the laws of the State of Georgia, and has an organizational control number of K905435 assigned by the Secretary of State of the State of Georgia. The Obligor will not cause or permit any change to be made in its name or identity unless the Obligor shall have first notified the Master Trustee in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required for the purpose of perfecting or protecting the lien and security interest of the Master Trustee. The Obligor's principal place of business and chief executive office, and the place where the Obligor keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding two months and will continue to be the address of the Obligor set forth in Section 1.05 hereof (unless the Obligor notifies the Master Trustee in writing at least 30 days prior to the date of such change).

Section 4.08. Preservation of Qualifications

Each Obligated Group Member will not allow any permit, right, license, franchise or privilege so long as it is necessary for the ownership or operation of the Facilities as a continuing care retirement community to lapse or be forfeited. If an Obligated Group Member becomes a provider of services under and a participant in the Medicare program or any successor program thereto or any program by a federal, state or local government providing for payment or reimbursement for services rendered for health care, such Obligated Group Member shall use its commercially reasonable efforts to remain fully qualified as a provider of services and a participant in such program; provided, however, that no Obligated Group Member shall be required to maintain any such qualification if (a) the Governing Board of such Person shall determine that the maintenance of such qualification is not in the best economic interest of such Person and (b) at least 30 days prior to the discontinuance of such qualification, such Person shall notify the Initial Purchaser of such proposed discontinuance and shall provide the Initial Purchaser with a written explanation of the basis for such determination.

Section 4.09. Additions to Facilities

Any additions, improvements and extensions to the Facilities and repairs, renewals and replacements thereof, including, without limitation, any Capital Additions, shall upon their acquisition become part of the Facilities.

Section 4.10. Insurance

(a) Each Obligated Group Member owning the Premises or any portion thereof will keep (or cause to be kept) insurance (including builder's all-risk insurance during construction of improvements on the Mortgaged Property) against loss or damage to any structure or improvements constituting part of the Mortgaged Property, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such

insurance. All insurance provided pursuant to this subsection shall be in an amount equal to one hundred percent (100%) of the replacement cost (without deduction for depreciation) of all buildings, structures and fixtures constituting any part of the Mortgaged Property or located thereon (except that casualty insurance may be subject to deductible clauses of not to exceed \$100,000) and shall be maintained with an insurer rated "A" or better by A.M. Best Company in Best's Insurance Reports, or by S&P.

(b) 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. The Master Trustee shall be listed as a loss payee or additional insured under each insurance policy of each Member while any Master Obligations remain Outstanding. The Members of the Obligated Group shall deliver a certificate of an Insurance Consultant or Insurance Consultants to the Master Trustee on the Closing Date which indicates that the insurance then being maintained by the Members meets the standards described above.

(c) The Obligated Group Representative shall annually review the insurance each Member maintains as to whether such insurance is customary and adequate and deliver an Officer's Certificate to the Master Trustee on or before the end of each Fiscal Year, beginning with the Fiscal Year ended December 31, 2019, stating that each Member is in compliance with the requirements set forth herein. In addition, the Obligated Group Representative shall, at least once every two Fiscal Years with respect to commercial insurance and at least once every Fiscal Year with respect to self-insurance (commencing with its Fiscal Year ending December 31, 2012), cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 60 days of the end of the applicable Fiscal Year which indicates that the insurance then being maintained by the Members meets the standards described above. The Obligated Group Representative shall cause copies of its review, or 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 nor any Mortgaged Property.

(d) Naming of the Master Trustee as a loss payee or additional insured under any insurance policy, or the furnishing to the Master Trustee of information relating thereto, shall not impose upon the Master Trustee any responsibility or duty to approve the form of such policy, the qualifications of the company issuing same or any other matters relating thereto.

Section 4.11. Damage or Destruction

Each Member agrees to notify the Master Trustee in writing 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 Threshold Amount. If such Net Proceeds do not exceed the Threshold Amount, 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 located on the Premises, or (ii) 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.

In the event such Net Proceeds exceed the Threshold Amount, the Member suffering such casualty or loss shall deposit or cause to be deposited such Net Proceeds, when and as received, with the Master Trustee and 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 located on the Premises or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group located on the Premises or to acquire additional Facilities to be located on the Premises 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, or improvement or to the repayment of such Indebtedness. So long as an Event of Default has not occurred and is continuing 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 substantially in accordance with the procedures set forth in the Construction Disbursement Agreement, dated as of June 1, 2012, among the Obligor, zumBrunnen, Inc., and Wells Fargo Bank, National Association (the “2012 Disbursement Agreement”) and upon the receipt by the Master Trustee of:

- (i) an Officer’s Certificate certifying to, accompanied by financial projections, which may be prepared by management, demonstrating that, the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements, and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, or improvement;
- (ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, or improvement and stating that, based on signed construction contracts, such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, or improvement; and
- (iii) 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 Request by an independent architect selected by the Obligated Group Representative.

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.

Option B Prepayment of Master Obligations. 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 Master Obligations other than Subordinated Indebtedness. 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 Master Obligations other than Master Obligations constituting Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding. Upon the payment in full of all Master Obligations other than Subordinated Indebtedness, the Member may direct the Master Trustee to apply such Net Proceeds to the prepayment of Subordinated Indebtedness. Any such prepayments of the Series

2012 Subordinated Obligations shall be made in conformity with Article IX of Supplement Number 1.

Option C Partial Restoration and Partial Prepayment of Master 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 located on the Premises 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 Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding, 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 4.11 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Notwithstanding the foregoing, the proceeds of business interruption insurance shall be paid directly to the applicable Obligated Group Member and are not subject to the provisions of this Section.

Section 4.12. 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 Threshold Amount.

If such Net Proceeds do not exceed the Threshold Amount, 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 located on the Premises, or (ii) 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.

In the event such Net Proceeds exceed the Threshold Amount, the Member in question shall deposit or cause to be deposited such Net Proceeds, when and as received, with the Master Trustee and 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 an Event of Default has not occurred and is continuing hereunder, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time substantially in accordance with the procedures set forth in the 2012 Disbursement Agreement and upon the receipt by the Master Trustee of:

- (i) an Officer’s Certificate certifying to, accompanied by financial projections, which may be prepared by management, demonstrating that, the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all

Debt Service Requirements, and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, or improvement;

(ii) the 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, based on signed construction contracts, 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

(iii) 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 Request by an independent architect selected by the Obligated Group Representative.

Option B Prepayment of Master Obligations. Such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Master Obligations other than Subordinated Indebtedness. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding. Upon the payment in full of all Master Obligations other than Master Obligations constituting Subordinated Indebtedness, the Member may direct the Master Trustee may apply such Net Proceeds to the prepayment of Subordinated Indebtedness. Any such prepayments of the Series 2012 Subordinated Obligations shall be made in conformity with Article IX of Supplement Number 1.

Option C Partial Restoration and Partial Prepayment of Master 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 located on the Premises 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 Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding, 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 4.12 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Section 4.13. Other Provisions with Respect to Net Proceeds

Subject to Section 3.02 hereof, amounts received by the Master Trustee in respect of any awards shall, at the Request of the Obligated Group Representative, 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 Representative in Permitted Investments subject to any Member's right to receive the same pursuant to Sections 4.11 and 4.12 hereof. If any Member elects to proceed under either Section 4.11(a) or (c) hereof or 4.12(a) or (c) hereof, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Master Obligations on a pro rata basis among all Master Obligations Outstanding pursuant to an Obligated Group Representative Request.

Section 4.14. Financial Statements, Etc.

(a) (i) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP 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 GAAP would require the combination of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, combined financial statements prepared in accordance with GAAP which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 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 Required Information Recipients with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the combined financial statements delivered to the Required Information Recipients and, in the opinion of the Accountant, is fairly stated in all material respects in relation to the combined 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 with or pursuant to this Master Trust Indenture.

(ii) No later than 30 days prior to the last day of each Fiscal Year, the Obligated Group Representative will prepare the Annual Budget (consisting of a statement of income and expenses on a monthly basis) for the following Fiscal Year which shall include amounts sufficient to pay maintenance costs shown in the Needs Assessment Analysis required by Section 4.26 hereof. If the Obligated Group Representative fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Annual Budget shall be provided to each Required Information Recipient no later than 30 days after the start of each Fiscal Year, and any amendment to the Annual Budget shall be provided to each Required Information Recipient within 30 days after its completion.

(b) The Obligated Group Representative will furnish or cause to be furnished to each Required Information Recipient (and the Master Trustee shall have no duty or obligation to review or examine the contents thereof) all of the following:

(i) Commencing with the quarter ending March 31, 2018, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such fiscal quarter.

If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(ii) Within 150 days of the end of each Fiscal Year, the audited annual financial statements of the Obligated Group examined by an Accountant which shall include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year, and a statement that such Accountant has no knowledge of any default

under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.

(iii) On or before the date of delivery of the annual financial reports referred to in subsection (b)(ii) above, a management's discussion and analysis of results for the applicable fiscal period, and on or before the date of delivery of the quarterly and annual financial reports referred to in subsection (b)(i) and (ii) an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.

(iv) Copies of (A) any board approved revisions to the summary of the Annual Budget provided pursuant to subsection (a)(ii) above, or (B) 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), correspondence to or from the Internal Revenue Service, or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(v) Following the delivery of the quarterly financial statements required by paragraph (i) above, the Obligated Group Representative shall make available one or more representatives reasonably acceptable to the Majority Holders and the Master Trustee for a telephone conference call with the beneficial owners of Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the beneficial owners of Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least one week prior to the scheduled date of each call.

(vi) Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.

(vii) within 30 days of any revision of the schedule of Entrance Fees or monthly service fees being charged or quoted to residents or prospective residents of the Facilities, a report on the amounts of such revised Entrance Fees or monthly service fees for each type of unit setting forth the reasons for such revision.

(viii) notice within three (3) Business Days of the occurrence of any of the material events required to be reported to each nationally recognized municipal securities information repository pursuant to a continuing disclosure agreement.

(c) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Required Information Recipients a copy of each Consultant's final report required to be prepared under the terms of this Master Trust Indenture.

(d) The Obligated Group Representative shall give prompt written notice of a change of Accountant by the Obligated Group to each Required Information Recipient. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as such Required Information Recipient may reasonably request.

(e) The Obligated Group Representative will furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee such additional information as the Master Trustee or such Related Bond Trustee may reasonably request concerning any Member and all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such Accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee. 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 Accountant, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(f) The Obligated Group Representative 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 an Accountant selected by the Obligated Group Representative 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 combined statements of operations, changes in net assets (deficit) and cash flows 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 Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year if required to be calculated by Sections 4.16 and 4.18 hereof, and a statement that such Accountant has no knowledge of any default under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.

(g) Delivery of such reports, information and documents described in this Section 4.14 to the Master Trustee is for informational purposes only, and the Master Trustee's receipt thereof shall not constitute notice to it of any information contained therein or determinable from information contained therein, including compliance by the Obligated Group or the Members with any of its or their covenants hereunder, as to which the Master Trustee is entitled to rely exclusively on Officer's Certificates.

Section 4.15. Permitted Additional Indebtedness

So long as any Master Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Master Obligations) except as permitted under this Section.

(a) While any Series 2016 Bonds or Series 2017 Bonds remain outstanding, the Obligated Group shall not incur any Additional Indebtedness without the prior written consent of (1) the Majority Holders and (2) the holders of a majority of the outstanding principal amount of the Series 2016 Bonds and the Series 2017 Bonds.

(b) Long-Term Indebtedness. If no Event of Default shall have occurred and then be continuing, the Obligated Group may incur or assume additional Long-Term Indebtedness, including without limitation, Long-Term Indebtedness to refund outstanding Long-Term Indebtedness, for such lawful purposes of the Obligated Group as shall be specified in reasonable detail in a certified resolution of the Obligated Group Representative; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group shall deliver to the Master Trustee:

(i) *Historical Pro Forma Test.* Except as provided in paragraphs (ii) through (viii) below, an Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25.

(ii) *Historical Test and Forecast.* In lieu of the requirements of paragraph (i) above,

(A) An Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25, and

(B) A Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.25 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service; provided, however, with respect to the incurrence of the Series 2021 Obligations (as defined in Supplement Number 5), a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Obligations) is expected to be not less than 1.25 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

(iii) *Pro Forma Test.* In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated

Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.35 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earliest of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant as of the first Testing Date in the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed in service; provided, however, with respect to the incurrence of the Series 2021 Obligations (as defined in Supplement Number 5), a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Obligations) is expected to be not less than 1.35 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

(iv) *Limit Based on Revenues.* In lieu of the requirements of paragraphs (i) through (iii) above, an Officer's Certificate showing that the proposed Long-Term Indebtedness, together with all Long-Term Indebtedness incurred pursuant to this paragraph (iv) which is then outstanding and which is not covered by an Officer's Certificate or Feasibility Report delivered pursuant to paragraphs (i) through (iii) above, does not exceed five percent (5%) of Revenues of the Obligated Group for the immediately preceding Fiscal Year.

(v) *Completion Long-Term Indebtedness.* In the case of Completion Long-Term Indebtedness, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance such Capital Addition or (B) a Feasibility Report stating that the forecasted Debt Service Coverage Ratio of the Obligated Group (taking into account the proposed additional Long-Term Indebtedness and excluding any Long-Term Indebtedness expected to be refunded as part of such issuance of additional Long-Term Indebtedness) for each of the two Fiscal Years immediately following the completion of such Capital Addition will be not less than what such Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness. In addition, the Obligated Group Representative shall provide a certificate of an independent architect or a Consultant with skill and experience in construction or renovation matters that the Completion Long-Term Indebtedness incurred to finance the completion of the Facilities will be sufficient to complete the Facilities.

(vi) *Refunding Indebtedness.* As an alternative to satisfying the requirements of paragraphs (i) through (v) above, in the case of Long-Term Indebtedness incurred to refinance outstanding Long-Term Indebtedness, an Officer's Certificate showing that the Maximum Annual Debt Service on the proposed Long-Term Indebtedness does not exceed 110% of the Maximum Annual Debt Service on the Long-Term Indebtedness to be refinanced.

(vii) *Subordinated Indebtedness.* Future Subordinated Indebtedness may be incurred without limit; provided that payment of interest or principal on such Subordinated Indebtedness shall be subject to the provisions of Section 3.05(b) hereof.

Notwithstanding the foregoing, any Feasibility Report delivered pursuant to subsections (ii) through (v) above and relating to Long-Term Indebtedness relating to the Phase II Expansion Site, shall be prepared by a consultant approved by a majority of holders of the Series 2016 Bonds and the Series 2017 Bonds.

Notwithstanding the foregoing, upon the incurrence of any Long-Term Indebtedness relating to the Phase II Expansion Site, the Obligated Group shall establish a cumulative cash loss covenant (unless waived by a majority of holders of the Series 2016 Bonds and the Series 2017 Bonds) that provides that if the Obligated Group fails to meet the cumulative cash loss covenant for any quarterly testing period by more than 35% of the designated covenant level for four (4) consecutive quarters, such violation shall constitute an Event of Default under the Master Indenture.

In the case of any Additional Indebtedness being incurred to finance Capital Additions or new Facilities, there shall be provided to the Master Trustee an Officer's Certificate stating that the amount of Additional Indebtedness to be incurred will be sufficient to complete the Capital Additions or Facilities to be financed.

(c) *Short Term Indebtedness.* The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short Term Indebtedness in any amount up to five percent (5%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short Term Indebtedness must, for a period of at least 15 consecutive days during each Fiscal Year, be less than 2.5% of Revenues for the preceding Fiscal Year. Short Term Indebtedness in excess of such 2.5% limit shall be permitted to remain Outstanding only if permitted to exist under this Master Trust Indenture as Long-Term Indebtedness.

(d) *Security for Short-Term Indebtedness and Working Capital Debt.* Any Short-Term Indebtedness or any Long-Term Indebtedness which is incurred for the purpose of providing working capital may be secured by a security interest on the Gross Revenues (but not the Mortgaged Property) on a parity with the security interest created by this Master Indenture, and if so secured, the agreement for the repayment of such Short-Term Indebtedness and instruments evidencing or securing the same shall provide that: (i) any event of default thereunder shall be an Event of Default hereunder; and (ii) if any event of default shall have occurred with respect to such Short-Term Indebtedness, the holder thereof shall be entitled only to such rights to exercise, consent to or direct the exercise of remedies as are available to the Master Trustee, and that all such remedies are except as otherwise provided in this Master Indenture, to be exercised solely by the Master Trustee for the equal and ratable benefit of the holders of all Obligations and all Indebtedness so secured. Any agreement for the repayment of such Indebtedness and instruments evidencing or securing the same shall provide for notices to be given to the Master Trustee regarding defaults by the Obligated Group, and shall specify the rights of the Master Trustee to pursue remedies upon the receipt of such notice, and the sharing of the rights of the Master Trustee to control the exercise of remedies with the holder of such indebtedness.

(e) *Security for Subordinated Indebtedness.* The Obligated Group may secure Subordinated Indebtedness (including the Series 2012 Subordinated Obligations) incurred or assumed pursuant to Section 4.15(b)(vii) as a Master Obligation with a lien on the Trust Estate

that is subordinate to the lien on the Trust Estate securing all other Master Obligations issued under this Master Indenture.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than issuers of Related Bonds, 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 Counsel acceptable to the Master Trustee 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 have been mortgaged and assigned to the Master Trustee pursuant to a Deeds of Trust in substantially the form of the Deeds of Trust and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances.

Section 4.16. Debt Service Coverage Ratio Covenant

(a) 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, subject to resident notice requirements, in such manner as may be necessary or proper to comply with the provisions of this Section.

The Members covenant and agree that the Obligated Group Representative will calculate the Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters (or for the Fiscal Year, as applicable) ending on the last day of such fiscal quarter, commencing with the fiscal quarter ending March 31, 2018. The Obligated Group Representative will deliver a copy of such calculation to the Persons to whom and within the time frame such report is required to be delivered under Section 4.14 hereof. The calculations of the Debt Service Coverage Ratio for the first three fiscal quarters are for informational purposes only.

(b) If the Debt Service Coverage Ratio as of the end of any Fiscal Year commencing with the Fiscal Year ending December 31, 2018 is less than the Debt Service Coverage Ratio Requirement (but not less than 1.00), the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) hereof) of the Officer's Certificate disclosing such deficiency, engage a Consultant in accordance with Section 4.24 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 such Debt Service Coverage Ratio to at least the Debt Service Coverage Ratio Requirement in the future. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within sixty (60) days after the date such Consultant is engaged. Each Obligated Group Member shall follow the recommendations of the Consultant.

(c) If the Obligated Group fails to achieve a Debt Service Coverage Ratio equal to the Debt Service Coverage Requirement, but achieves a Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year commencing with the Fiscal Year ending December 31, 2018, such failure shall not constitute a Default or an Event of Default under this Master Trust Indenture so long as the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and complies with the recommendations contained in such report to the extent permitted by law. The foregoing provisions notwithstanding, as set forth in Section 7.01(g), it shall constitute an Event of Default hereunder if the Debt Service Coverage Ratio for any Fiscal Year is less than 1.00.

(d) Notwithstanding any other provisions of this Master Trust Indenture, in any case where Long-Term Indebtedness has been incurred to acquire or construct Capital Additions, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year commencing after substantially all of such Capital Additions are placed in service (except that with respect to Capital Additions consisting, in whole or in part, of Independent Living Units or health care beds, the Debt Service Requirements with respect thereto shall not be taken into account until the earlier to occur of (i) the first full Fiscal Year next succeeding the Fiscal Year in which the occupancy of the additional units achieve average occupancy of 85% or (ii) the first full Fiscal Year following the Fiscal Year in which occurs that date which is 18 months following the date upon which substantially all of such additional units are placed in service; in either case, the Obligated Group agrees that it will notify the Master Trustee of such event within ten (10) days following its occurrence); provided, however, with respect to the Series 2021 Obligations (as defined in Supplement Number 5), the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

Section 4.17. Calculation of Debt Service and Debt Service Coverage

(a) For the purpose of determining the interest rate on Long-Term Indebtedness which bears interest at a variable rate, such interest rate shall be assumed to be: (1) for the purpose of determining whether such Long-Term Indebtedness may be incurred, the rate estimated by a Consultant to be in effect on Indebtedness of comparable terms and creditworthiness at the time of such incurrence; or (2) for the purpose of Long-Term Indebtedness Outstanding, the higher of (a) the average interest rate on such Long-Term Indebtedness for the preceding calendar year or (b) the rate then in effect on such Long-Term Indebtedness.

(b) For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Long-Term Indebtedness of the guarantor under such Guaranty.

(c) Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.15 reclassified as having been incurred under another provision of Section 4.15, by certifying 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. From and after such certification to the Master Trustee, 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.

(d) 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. 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.

(e) Except as set forth below, 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.

(f) Balloon Indebtedness incurred as provided under subsection (a) of Section 4.15, unless reclassified pursuant to this Section 4.17, shall be deemed to be payable in accordance with the assumption that (i) 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 (ii) 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 (ii) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Balloon Indebtedness Debt Service Requirement being calculated is calculated, varies no more 10% per year.

(g) For purposes of the various calculations required under this Master Trust Indenture for Finance Leases, the rentals under a Finance Lease at the time of such calculation shall be deemed to be the principal payable thereon.

(h) For the purpose of determining the Debt Service Requirements on any Long-Term Indebtedness incurred to finance a Capital Addition, the admission to which is subject to Residency Agreements, there shall be applied as a credit against the principal amount of such Long-Term Indebtedness the amount of Entrance Fees or other moneys which are forecasted to be used (other than from the proceeds of Long-Term Indebtedness) to pay the principal of such Long-Term Indebtedness during the forecast period covered by a Feasibility Report, provided that no such forecast period shall extend more than five full Fiscal Years beyond the date of completion of the Capital Additions being financed with such Long-Term Indebtedness or, in the case of Long-Term Indebtedness issued or incurred for refinancing purposes, five full Fiscal Years beyond the date of issuance thereof.

Section 4.18. Liquidity Covenant

The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30, and December 31). The Obligated Group covenants that as of the last day of its Fiscal Year (currently December 31) and as of the last day of the second quarter of each Fiscal Year (currently June 30) (each such date being a "Testing Date"), commencing with June 30, 2018, the Obligated Group shall have no less than 150 Days Cash on Hand (the "Liquidity Requirement"). The Obligated Group shall deliver an Officer's Certificate

setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to Section 4.14(b)(i) hereof.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) or (iv) hereof) of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to restore the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not restored 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 required to be delivered by the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) hereof) of the Officer's Certificate disclosing such deficiency, engage a Consultant in accordance with Section 4.24 hereof 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 Days Cash on Hand to the Liquidity Requirement for future Testing Dates. 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 engaged. Each Obligated Group Member shall follow the recommendations of the Consultant.

Notwithstanding any other provision of this Master Trust Indenture, failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date shall not constitute a Default or an Event of Default under this Master Trust Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report. The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations.

Section 4.19. Disposition of Property

Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

(a) Payments for goods and services in arm's length transactions, investments in marketable securities and transfers of Property replaced in the ordinary course of business, provided that in the case of any transfer of Property (other than payment for goods and services or investments) in the ordinary course of business, at least 15 days prior written notice shall be given to the Trustee of any such transfer of Property having a book value in excess of 1% of net book value of all of the net Property, Plant and Equipment of the Obligated Group.

(b) Transfers aggregating in any Fiscal Year not more than 3% of net Property, Plant and Equipment (as shown on last audit) and not more than 7.5% of net Property, Plant and Equipment in any period of three consecutive Fiscal Years.

(c) Transfers of tangible Property at any one time in excess of 3% of net Property, Plant and Equipment provided that (i) the required Debt Service Coverage Ratio and Days' Cash on Hand Ratio are being met, (ii) an architect certifies the transfer will not materially adversely affect use or operation of the Facilities of the Obligated Group, and (iii) either:

(i) an Accountant has provided the Obligated Group, in writing, with a calculation showing that if such transfer had been made at the beginning of the last Fiscal Year, the Debt Service Coverage Ratio of the Obligated Group would have been at least 90% of the actual ratio and not less than 1.35; or

(ii) a Consultant forecasts that the Debt Service Coverage Ratio of the Obligated Group for the two Fiscal Years following the transfer will be at least 90% of the actual ratio for the preceding Fiscal Year and not less than 1.35.

The proceeds from the sale of any tangible Property shall be used to purchase replacement Property or to prepay Indebtedness.

(d) Transfers of Cash or Investments or accounts receivable to any Person who is not a Member (other than the repayment of the Series 2012 Subordinated Obligations subject to the conditions in Section 9.01 of Supplement Number 1 and other than in the ordinary course of business) only with the prior written consent of Majority Holders.

(e) Transfers from a Member to another Member.

(f) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property.

(g) To any Person if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Master Obligations.

For avoidance of doubt, it is understood that this Section 4.19 does not prohibit: (i) any transfer of cash by a Member in payment of any of its Master Obligations, Indebtedness and liabilities, the incurrence of which Master Obligation, Indebtedness or liability did not or would not, either immediately or with the giving of notice, the passage of time or both, result in the occurrence of an Event of Default; (ii) the making of loans to residents for their financial assistance; or (iii) the expenditure by the Obligated Group of the proceeds of gifts, grants, bequests, donations or contributions heretofore or hereafter made which are designated by the donor at the time made for certain specific purposes other than described in clauses (i) and (ii) of this sentence.

Section 4.20. Liens on Property

Each Member covenants that it will 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.

Section 4.21. Management

The Obligated Group is required to engage a Manager and a Marketing Consultant (which may be the same firm) at all times so long as any Master Obligation remains outstanding. The Manager and the Marketing Consultant may not be related to the Members of the Obligated Group or an Affiliate of the Members of the Obligated Group. Except as provided below, the Members of the Obligated Group shall be required to retain a new Manager or Marketing Consultant or both, if:

- (i) the Obligated Group fails to make any payment on the Master Obligations when due; or
- (ii) the Obligated Group fails to maintain a Debt Service Coverage Ratio of at least 1.00 as shown on any two (2) successive quarterly unaudited financial statements; or
- (iii) the Obligated Group fails to meet the required Debt Service Coverage Ratio by the end of the second fiscal quarter following the date the Consultant's report is required as described above under Section 4.16(b) hereof; or
- (iv) the Obligated Group fails to meet the Liquidity Requirement by the end of the second fiscal quarter following the date a report and plan are required as described above under Section 4.18.

Whenever the Obligated Group is required to retain a new Manager or Marketing Consultant, as described above, the Obligated Group Representative shall immediately retain a Consultant who shall, within 30 days of the event requiring appointment of a new Manager and/or Marketing Consultant, submit to the Master Trustee and Majority Holders, a list of two or more Persons experienced in the management, or marketing, as the case may be, of assisted living facilities of a type and size similar to the SearStone Project. If the Obligated Group is required to retain a new Manager or Marketing Consultant under the circumstances described above, the Obligated Group shall retain as Manager and/or Marketing Consultant a Person from the list submitted by the Consultant and approved in writing by Majority Holders. In the event that a new Manager or Marketing Consultant is appointed by the Obligated Group Representative at any time when the Debt Service Coverage Ratio or the Occupancy Requirements is less than the level required pursuant to this Master Trust Indenture, the provisions of this Master Trust Indenture shall not be applied to require the further appointment of another Manager or Marketing Consultant until the new Manager or Marketing Consultant has been employed for at least twelve months.

Notwithstanding the foregoing, the Obligated Group shall not be required to retain a new Manager or Marketing Consultant if the Master Trustee receives, within 30 days of the event requiring appointment of a new Manager or Marketing Consultant:

- (i) Written consent of Majority Holders to the continued retention of the existing Manager;
- (ii) a written report (prepared by a Consultant, but not by the Manager or Marketing Consultant) containing sufficient detail to support the conclusions made therein and concluding (a) that the failure of the Obligated Group to comply with the Debt Service Coverage Ratio Covenant, and/or the Liquidity Requirement is primarily due to factors outside the control of the present Manager or Marketing Consultant, or (b) that retaining a new Manager or Marketing Consultant is not likely to materially improve the Obligated Group's ability to comply with such requirements; and
- (iii) a certificated copy of the Governing Body of each Member of the Obligated Group stating that the performance by the Manager or Marketing Consultant of its duties is satisfactory and setting forth the reasons supporting retention of the present Manager or Marketing Consultant.

While any Master Obligations with respect to tax-exempt Related Bonds are Outstanding, the Obligated Group Members shall not enter into any management, service, or incentive payment contract between an Obligated Group Member and a service provider under which the service provider provides services involving all, a portion of, or any function of, the Facilities unless the contract has been reviewed

and approved in advance by Bond Counsel. For purposes of this Section 4.21, contracts for services that are solely incidental to the primary function or functions of the Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services) and contracts to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties, are not included.

Section 4.22. Licenses and Qualifications; Third Party Payments

Each Obligated Group Member will do all things necessary to obtain, maintain and renew, from time to time, as necessary, all permits, licenses, accreditation and other governmental approvals necessary for the operation of the Facilities. The Obligated Group Representative hereby agrees to give prompt notice to the Master Trustee of the loss or suspension or receipt of written notice of any threatened loss or suspension of any permit, license or other governmental approval material to the operation of the Facilities, which notice must set forth the reasons for such loss.

Section 4.23. Environmental Condition of Facilities and Indemnification

The Obligated Group Members represent and warrant to the Master Trustee that: (a) while the Series 2017 Related Bond Issuer or the Master Trustee has any interest in or lien on the Facilities, the Facilities are, and at all times hereinafter will continue to be, in full compliance with all Environmental Laws, (b) (i) as of the date of this Master Trust Indenture there are no Hazardous Materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Facilities or used in connection therewith, or (ii) the Obligated Group Members have fully disclosed to the Series 2017 Related Bond Issuer, the Initial Purchaser and the Master Trustee in writing the existence, extent and nature of any such Hazardous Materials, substances, wastes or other environmentally regulated substances, which the Obligated Group Members are legally authorized and empowered to maintain on, in or under the Facilities or use in connection therewith, and the Obligated Group Members have obtained and will maintain all licenses, permits and approvals required with respect thereto and are in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals, and (c) the Obligated Group Members are not in violation of any Environmental Laws. Each of the Obligated Group Members further represents and warrants that it will notify promptly the Master Trustee in writing of any change in the nature or extent of any Hazardous Materials, substances or wastes maintained on, in or under the Facilities or used in connection therewith and will transmit to the Master Trustee copies of any citations, orders, notices or other material governmental or other communications received with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Facilities.

The Premises have not (including, to the best of the Obligated Group Members' knowledge, for the period prior to the Obligated Group Members' acquisition of the Premises) previously been used as a landfill or as a dump for garbage or refuse.

Promptly upon the written request of the Master Trustee or the Holders of a majority in aggregate principal amount of Master Obligations then Outstanding, the Obligated Group Members will provide the Master Trustee and the Holders, at the Obligated Group Members' expense, with an environmental site assessment and environmental audit report, or an update of such assessment or report; provided, however, that any such report may not be required more frequently than once every two years.

The Obligated Group Members will jointly and severally indemnify and hold the Master Trustee and its officers, directors, employees and agents harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses of every kind and nature) suffered by or

asserted against either party as a direct or indirect result of any representation or warranty made by the Obligated Group Members in this Section being false or untrue in any respect or any violation of any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any Hazardous Materials, substances, wastes or other environmentally regulated substances. Without limiting the generality of the foregoing, the foregoing covenant of indemnification will inure to the benefit of the Master Trustee in the event the Series 2017 Related Bond Issuer or the Master Trustee becomes the successor-in-interest to the Obligated Group Members with respect to the Facilities and will inure to the benefit of any purchaser of the Facilities at foreclosure sale or any subsequent purchaser of the Facilities from the Master Trustee.

The obligations of the Obligated Group Members to the Master Trustee under this Section 4.23 will not be limited to any extent by the term of the Master Obligations and, as to any act or occurrence prior to payment in full and satisfaction of the Master Obligations which gives rise to liability hereunder, will continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of the Master Obligations and this Master Trust Indenture or foreclosure or sale under the Security Deed or delivery of a deed-in-lieu of foreclosure.

Section 4.24. Approval of Consultants

Whenever a Consultant is required to be engaged under this Master Indenture the Consultant (including the specific individuals) shall be acceptable to the Majority Holders and the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Trustee and the beneficial owners of the Related Bonds will be given independent access to the Consultant. Within twenty one (21) days after a Consultant is required to be retained, the Obligated Group will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Obligated Group, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Obligated Group. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Trustee and to each Required Information Recipient as soon as practicable but in no event later than forty five (45) days after the date on which a Consultant is required to be retained. Within seven (7) months after the submission of its initial report, the Consultant shall submit to the Trustee and each such Required Information Recipient a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the board of directors of the Obligated Group.

Section 4.25. Actuarial Study

Commencing with the Fiscal Year ending December 31, 2020, and at least once every three Fiscal Years thereafter, the Obligated Group Representative, at the Obligated Group's expense, shall provide a management summary of the actuarial study described below to each Required Information Recipient. 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 Residence and Services 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 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 Representative) and permitted by law.

Section 4.26 Needs Assessment Analysis.

Commencing on the fifth (5th) year anniversary of the date of the Series 2017 Bonds and every five (5) years thereafter, the Obligated Group Representative shall order or cause to be conducted and delivered a Needs Assessment Analysis from a consulting engineer that, in the objective and reasonable opinion of the Obligated Group Representative, is experienced in conducting needs assessment analyses for senior living facilities such as the Facilities. The Needs Assessment Analysis shall include a forecast of estimated life cycle maintenance costs with respect to the Project for the following five (5) years and the amounts necessary to maintain the Project in accordance with Section 4.06 hereof. The Needs Assessment Analysis shall be filed with the Master Trustee.

Section 4.27 Incorporation of Certain Covenants.

The Obligated Group agrees that if parity debt is issued and secured under this Master Indenture subsequent to the issuance of the Series 2017 Obligation, any financial covenants set forth in any Related Loan Agreement, including, without limitation, any credit agreement to which the Obligor may be a party, shall be incorporated by reference (collectively referred to herein as the "Incorporated Provisions") in this Master Indenture for the benefit of the holders of the Series 2016 Obligation and the Series 2017 Obligation, but only for so long as the such parity debt is outstanding. Any amendments or waivers of such Incorporated Provisions shall require consent or waiver of a majority of the Holders of the Series 2016 Obligation and the Series 2017 Obligation. This paragraph shall not prohibit any issuance of additional Master Obligations under this Master Indenture if no Event of Default has occurred and is continuing and if conditions precedent or other conditions applicable to the issuance of such additional Master Obligations have been satisfied.

[End of Article IV]

ARTICLE V
MERGER, CONSOLIDATION, CONVEYANCE AND TRANSFER

Section 5.01. Merger, Consolidation, Sale or Conveyance

(b) Each Member agrees that it will not merge into, or consolidate with, one or more Persons who are not Members, or allow one or more of such Persons 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) The Obligated Group may not merge into, or consolidate with, one or more Persons who are not Members, or allow one or more of such Persons to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member unless it obtains the written consent of Majority Holders;

(ii) Any successor Person to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a 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, satisfactory to the Master Trustee, containing the agreement of such successor Person to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Master Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Indenture to be kept and performed by such Member;

(iii) 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 Agreement or this Master Indenture;

(iv) The Master Trustee receives an Officer's Certificate showing that (A) immediately after such merger or consolidation, sale or conveyance, (I) the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available would be not less than 1.20 or (II) that such Debt Service Coverage Ratio of the Obligated Group is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such merger or consolidation, sale or conveyance and (B) immediately after such merger or consolidation, sale or conveyance, (I) the Obligated Group would be in compliance with the Liquidity Requirement for the most recent quarter after adjustment for the change or (II) that such calculation of the Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such merger or consolidation, sale or conveyance; provided that in lieu of such Officer's Certificate, the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to such merger or consolidation;

(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; and

(vi) Exhibit A to the Security Deed shall be 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, and the Person becoming a Member shall execute and deliver to the Master Trustee a new mortgage or security deed or a supplement so an existing mortgage or security deed encumbering such real Property.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor Person, such successor Person 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 Person of a Member must agree to become, and satisfy the conditions described in Section 6.01 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 Person to such Member thereupon may cause to be signed and may issue in its own name Master Obligations hereunder and such Member shall be released from its obligations hereunder and under any Master Obligations, if such Member shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor Person. All Master Obligations so issued by such successor Person hereunder shall in all respects have the same legal rank and benefit under this Master Indenture as Master Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Master Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Master Obligations thereafter to be issued as may be appropriate.

(d) The Master Trustee shall receive and may rely upon an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, has been effected in accordance with the provisions of the Master Indenture summarized under this caption.

[End of Article V]

ARTICLE VI
MEMBERSHIP IN THE OBLIGATED GROUP

Section 6.01. Admission of Obligated Group Members

Any other Person may become a Member of the Obligated Group if:

- (c) Such Person is a business entity;
- (d) Such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (i) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Indenture and (ii) 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 6.03 hereof) to jointly and severally make payments upon each Master Obligation;
- (e) The Obligated Group Representative and each Member shall have approved the admission of such Person to the Obligated Group; and
- (f) The Master Trustee shall have received:
 - (i) an Officer's Certificate of the Obligated Group Representative which (A) demonstrates that (1) immediately upon such Person becoming a Member of the Obligated Group, (I) the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available, after adjustment for the addition of the new Member, would be not less than 1.20, or (II) that such Debt Service Coverage Ratio of the Obligated Group with such Person is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without such Person becoming a Member of the Obligated Group, and (2) immediately upon such Person becoming a Member of the Obligated Group, (I) the Obligated Group would be in compliance with the Liquidity Requirement based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.15 hereof or (II) that such calculation of the Days Cash on Hand of the Obligated Group is greater than such calculation would be without such Person becoming a Member of the Obligated Group; (B) states that prior to and 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; and (C) prior to and immediately after such Person becoming a Member of the Obligated Group, the Members would not be in default in the performance or observance of any covenant or condition to be performed or observed hereunder; provided that in lieu of the requirements of clause (A), the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to the admission of such Person to the Obligated Group; and provided further that in making the calculation called for by subsection (d)(i) above, (x) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs and (y) there shall be excluded from Expenses any Expenses related to Property of such Person

transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs;

- (ii) an Opinion of Counsel in form and substance acceptable to the Master Trustee to the effect that (x) the instrument described in Section 6.01(b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and (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;
- (iii) written notice from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a lower rating on such series of Related Bonds; and
- (iv) 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 consummation of such transaction would not adversely affect the validity of any Related Bonds or any exemption from federal or state income taxation of interest payable on such Bonds otherwise entitled to such exemption.

Each successor, assignee, surviving, resulting or transferee Person 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 6.02. Obligated Group Members

Upon any Person's becoming an Obligated Group Member as provided in Section 6.01:

- (a) the Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different times;
- (b) any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated to the rights of the Master Trustee and the Holders of Master Obligations; and
- (c) each Obligated Group Member shall designate the Obligated Group Representative as its attorney in fact with full power of substitution to perform, satisfy, and discharge every obligation, covenant, duty or liability to be performed on the part of the Obligated Group Member hereunder.

Section 6.03. Withdrawal of Obligated Group Members

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 prior to cessation of such status there is delivered to the Master Trustee:

[End of Article VI]

(g) 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;

(h) an Officer's Certificate of the Obligated Group Representative to the effect that (i) immediately after such cessation the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available, after adjustment for the removal of the Member, would be not less than 1.20 or that such Debt Service Coverage Ratio of the Obligated Group is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation; (ii) immediately after such cessation, the Obligated Group would be in compliance with the Liquidity Requirement for the most recent quarter after adjustment for the removal of the Member, or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such cessation; and (iii) prior to and immediately after such cessation, no Event of Default exists hereunder and no event has occurred which with the passage of time or the giving of notice, or both, would become such an Event of Default; provided that in lieu of the requirements of (i), the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to the withdrawal of such Member from the Obligated Group;

(i) an Opinion of Counsel in form and substance acceptable to the Master Trustee to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax Exempt Organization of any Member which otherwise has such status;

(j) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the cessation of such status will not result in a lower rating on such series of Related Bonds; and

(k) a consent in writing from the Obligated Group Representative and each Member to the withdrawal by the withdrawing Member.

Notwithstanding the foregoing, while the Series 2016 Obligations and the Series 2017 Obligations are Outstanding, the Obligor may not withdraw as a Member of the Obligated Group.

Section 6.04. Successor Obligated Group Representative

The Obligor shall serve as the Obligated Group Representative until such time as the Obligor either (i) withdraws from the Obligated Group in accordance with this Article VI or (ii) delivers to the Master Trustee its resignation as the Obligated Group Representative. The Obligor covenants to fulfill all of the duties of the Obligated Group Representative under this Master Indenture. The Obligor agrees that it shall not withdraw from the Obligated Group or resign as Obligated Group Representative until the Obligor has appointed another Obligated Group Representative and such successor Obligated Group Representative has accepted its duties in writing. Each Obligated Group Member by becoming an Obligated Group Member acknowledges that the Obligated Group Representative has certain powers and duties under this Master Indenture, including, but not limited to binding all Obligated Group Members to joint and several liability on all Master Obligations issued hereunder, and authorizes the Obligated Group Representative to exercise such powers and carry out such duties.

**ARTICLE VII.
REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF MASTER OBLIGATIONS
IN EVENT OF DEFAULT**

Section 7.01. Events of Default

Event of Default, as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) Default in the payment of the principal of (or premium, if any) or interest on any Master Obligation (other than Master Obligations constituting Subordinated Indebtedness) when it becomes due and payable at its Maturity and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Master Obligation; or

(b) Any Obligated Group Member shall fail duly to observe or perform any other covenant or agreement (other than a covenant or agreement whose performance or observance is elsewhere in this Section 7.01 specifically dealt with) on the part of such Person contained in this Master Trust Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Master Obligations then Outstanding; provided that if any such default can be cured by such Obligated Group Member but cannot be cured within the 45 day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by such Obligated Group Member within such 45 day period and diligently pursued until the default is corrected; or

(c) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging any Obligated Group Member a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Group Member under the federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of any Obligated Group Member or of its Property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(d) Any Obligated Group Member shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the institution of a bankruptcy proceeding against it, shall file a petition or answer or consent seeking reorganization or arrangement under the federal Bankruptcy Code or any other similar applicable federal or state law, shall consent to the filing of any such petition, shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Trust Estate, shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Governing Body of any Obligated Group Member in furtherance of any of the aforesaid purposes; or

(e) Any Obligated Group Member shall fail to pay or make provision for payment of any recourse Indebtedness (other than Subordinated Indebtedness owed to an Affiliate of the Obligated Group Member) having a principal balance of not less than \$100,000 and the continuance of such failure beyond the applicable grace period, if any; or

(f) a final judgment for an amount not otherwise covered by insurance, in excess of \$100,000 which is not be covered by insurance or as to which the insurer has given notice of a denial of coverage) is rendered against an Obligated Group Member and, within ten (10) days after entry thereof, such judgment has not been discharged or execution thereof stayed pending appeal or if, within ten (10) days after the expiration of any such stay, such judgment has not been discharged; or

(g) An event of default, as therein defined, under any instrument under which Master Obligations may be incurred or secured, including, without limitation, Related Bond Indentures, Related Loan Agreements, any Credit Facility, any deed of trust or any other document delivered in connection with the issuance of Related Bonds, has occurred and is continuing beyond the applicable period of grace, if any; or

(h) The Debt Service Coverage Ratio for any Fiscal Year is less than 1.00.

Section 7.02. Acceleration of Maturity; Rescission and Annulment

If an Event of Default occurs and is continuing, then and in every such case the Master Trustee or the Holders of not less than 25% in principal amount of the Outstanding Master Obligations (or, in the case of any Event of Default described in subparagraph (f) of Section 7.01 above resulting in the loss of any exclusion from gross income of interest on, or the invalidity of, any Indebtedness secured by a pledge of Master Obligations, the Holders of not less than 25% in principal amount of the Outstanding Master Obligations of the affected series) may declare the principal of all the Master Obligations to be due and payable immediately, by a notice in writing to the Obligated Group Representative and all of the Holders of Master Obligations (and to the Master Trustee if given by Holders of Master Obligations), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the affected Outstanding Master Obligations (other than Master Obligations constituting Subordinated Indebtedness), by written notice to the Obligated Group Representative and the Master Trustee, shall rescind and annul such declaration and its consequences if:

(a) one or more Obligated Group Members have paid or deposited with the Master Trustee a sum sufficient to pay:

(i) all overdue installments of interest on all Master Obligations,

(ii) the principal of (and premium, if any, on) any Master Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Master Obligations, and

(iii) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of Master Obligations which have become due solely by such acceleration, have been cured or waived as provided in Section 7.15 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 7.03. Funds and Accounts.

Upon the occurrence and continuation of an Event of Default, the Master Trustee may withdraw funds from any fund or account created under this Master Trust Indenture to pay debt service on the Master Obligations, pay costs and expenses (including attorneys' fees) of the Master Trustee and for other purposes as directed by Majority Holders.

Section 7.04. Powers of Sale, Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement

In case an Event of Default shall occur and be continuing, the Master Trustee, in its discretion may, subject to the provisions of Section 7.18:

(i) exercise its remedies under the Security Deed as to all of the Mortgaged Property and exercise its remedies under the Sears Farm Deed of Trust as to all of the real property and personal property described therein, or

(ii) protect and enforce its rights and the rights of the Master Trustee under this Master Trust Indenture by sale pursuant to judicial proceedings or by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Master Trust Indenture or in aid of the execution of any power granted in this Master Trust Indenture or for the sale under or the foreclosure of the Security Deed or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee, or

(iii) as to all or part of the personal property (tangible or intangible) and fixtures included in the Trust Estate (such portion of the Trust Estate herein referred to as the "Collateral"),

(A) proceed under the Uniform Commercial Code and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sale, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, and, to the extent permitted by law, each Obligated Group Member expressly waives any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee existing after default hereunder, and, to the extent any such notice is required and cannot be waived, each Obligated Group Member agrees that if such notice is mailed, postage prepaid, to the Master Trustee at its address stated in the first paragraph hereof at least ten days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(B) take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate or desirable by the Master Trustee, at its option and in its discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(C) transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Master Obligations or apply same as herein provided, and

(D) require the Members to assemble the Collateral and make it available to the Trustee at a place to be designated by the Trustee that is reasonably convenient to all parties.

The Master Trustee shall be fully subrogated to the rights of all vendor's lienholders and other lienholders whose indebtedness is paid in whole or in part from proceeds of Master Obligations.

The filing of a suit to foreclose any lien, mortgage, or security interest hereunder or under the Deeds of Trust shall never be considered an election so as to preclude foreclosure under any power of sale contained herein or in the Deeds of Trust after dismissal of such a suit.

Section 7.05. Incidents of Sale

Upon any sale of any of the Trust Estate, whether made under the provisions hereby given, or given by the Security Deed, or pursuant to judicial proceedings, to the extent permitted by law:

(a) Any Holder or Holders of Master Obligations or the Master Trustee or its designee, provided that the Master Trustee has been properly directed by the requisite percentage of holders of Master Obligations and indemnified to its satisfaction and subject to all the protection of Section 8.03(n), may bid for and purchase the Property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such Property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Master Obligations or claims for interest thereon in lieu of cash equal to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Master Obligations, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(b) The Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient bill of sale and instrument of assignment and transfer of the Property sold;

(c) The Master Trustee is hereby irrevocably appointed the true and lawful attorney of each Member, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the Property thus sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments of assignment and transfer and may substitute one or more persons, firms or corporations with like power, each Member hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Master Trustee or by any purchaser, any Member shall ratify and confirm any such sale or transfer by executing and delivering to the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and release as may be designated in any such request;

(d) Rights, titles, interests, claims and demands whatsoever, either at law or in equity or otherwise, of the Members of, in and to the Property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against each of the Members and their respective successors and assigns, and against any and all persons claiming or who may claim the

Property sold or any part thereof by, through or under the Members or their respective successors and assigns; and

(e) Receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representative shall not, after paying such purchase money and receiving such receipt, be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

Upon a sale of substantially all the Trust Estate, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the Obligated Group Members will permit, to the extent permitted by law, the purchaser thereof and its successors and assigns to take and use the names of the Members and to carry on business under such name or any variant thereof and to use and employ any and all other trade names, brands and trademarks of the Members; and in such event, upon written request of such purchaser, its successors or assigns, any Member will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

Section 7.06. Collection of Indebtedness and Suits for Enforcement by Master Trustee

The Obligated Group Members covenant (subject to any notice and grace periods contained herein) that if:

(a) Default is made in the payment of any installment of interest on any Master Obligation when such interest becomes due and payable, or

(b) Default is made in the payment of the principal of (or premium, if any, on) any Master Obligation at the Maturity thereof,

each Obligated Group Member will, upon demand of the Master Trustee, pay to it, for the benefit of the Holders of such Master Obligations, the whole amount then due and payable on such Master Obligations for principal (and premium, if any) and interest, with interest at the rate borne by the Master Obligations upon the overdue principal (and premium, if any), and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

If the Obligated Group Members fail to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Obligated Group Members or any other obligor upon the Master Obligations and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the Property of the Obligated Group Members or any other obligor upon the Master Obligations, wherever situated.

If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Master Obligations by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Trust Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 7.07. Master Trustee May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Obligated Group Members or any other obligor upon the Master Obligations or the Property of the Obligated Group Members or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Master Obligations shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Obligated Group Members for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) To file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Master Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel which shall be deemed an administrative claim) and of the Holders of Master Obligations allowed in such judicial proceeding, and

(b) To collect and receive any moneys or other Property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator, custodian or other similar official in any such judicial proceeding is hereby authorized by each Holder of Master Obligations to make such payments to the Master Trustee and, in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Master Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel and any other amounts due the Master Trustee under this Master Trust Indenture which shall be deemed an administrative claim. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under Section 8.07 hereof out of the estate in any such proceeding, shall be unpaid for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

The Master Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' committee or other similar committee. Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Master Obligations any plan of reorganization, arrangement, adjustment or composition affecting the Master Obligations or the rights of any Holder thereof or to authorize the Master Trustee to vote in respect of the claim of any Holder of Master Obligations in any such proceeding.

Section 7.08. Master Trustee May Enforce Claims Without Possession of Master Obligations

All rights of action and claims under this Master Trust Indenture or the Master Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Master Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Master Obligations in respect of which such judgment has been recovered.

Section 7.09. Application of Money Collected

Any money or Property collected by the Master Trustee pursuant to this Article VII, any money or Property distributable in respect of an Obligated Group Member's obligations under this Master Trust Indenture after any Event of Default, and any proceeds of any sale (after deducting the costs and expenses of such sale, including reasonable compensation to the Master Trustee, its agents and counsel, and any taxes, assessments or liens prior to the lien of this Master Trust Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Trust Indenture, shall be applied in the order specified in Section 3.01 hereof, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Master Obligations and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid. The Master Trustee may fix a record date and payment date for any payment or distribution to Holders pursuant to this Section 7.09. Notwithstanding any of the foregoing provisions of this paragraph, all proceeds from the foreclosure of the Sears Farm Deed of Trust shall be transferred to the Holder of the Series 2016 Obligation for application pursuant to the Series 2016 Bond Indenture.

In the event the Master Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 7.01(c) or 7.01(d), or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 7.10. Limitation on Suits

No Holder of any Master Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Trust Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (a) Such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;
- (b) The Holders of not less than 25% in principal amount of the Outstanding Master Obligations (other than Master Obligations constituting Subordinated Indebtedness) shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;
- (c) Such Holder or Holders have offered to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) The Master Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (e) No direction inconsistent with such written request has been given to the Master Trustee during such 60 day period by the Majority Holders; it being understood and intended that no one or more Holders of Master Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Trust Indenture to affect, disturb or prejudice the rights of any other Holders of Master Obligations, to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Master Trust Indenture, except in the manner herein provided and for the equal and ratable benefit of all the

Holders of Master Obligations (other than Holders of Master Obligations constituting Subordinated Indebtedness).

- (f) Notwithstanding any provision of this Section to the contrary, if an Event of Default occurs and is continuing, no Holder of any Master Obligation constituting Subordinated Indebtedness shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder until all Master Obligations other than Master Obligations constituting Subordinated Indebtedness have been paid in full.

Section 7.11. Unconditional Right of Holders of Master Obligations to Receive Principal, Premium and Interest

Notwithstanding any other provision of this Master Trust Indenture, the Holder of any Master Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 2.07 hereof) interest on such Master Obligation on the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that if an Event of Default occurs and is continuing, no Holder of any Master Obligation constituting Subordinated Indebtedness shall institute suit for the enforcement of any such payment until all Obligations other than Master Obligations constituting Subordinated Indebtedness have been paid in full.

Section 7.12. Restoration of Rights and Remedies

If the Master Trustee or any Holder of Master Obligations has instituted any proceeding to enforce any right or remedy under this Master Trust Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Holder of Master Obligations, then and in every such case the Obligated Group Members, the Master Trustee and the Holders of Master Obligations shall, subject to any court determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Holders of Master Obligations shall continue as though no such proceeding had been instituted.

Section 7.13. Rights and Remedies Cumulative

No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Master Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.14. Delay or Omission Not Waiver

No delay or omission of the Master Trustee or of any Holder of any Master Obligation to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VII or by law to the Master Trustee or to the Holders of Master Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Holders of Master Obligations, as the case may be.

Section 7.15. Control by Holders of Master Obligations

The Majority Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that:

(a) Such direction shall not be in conflict with any rule of law or with this Master Trust Indenture or be unduly prejudicial to the rights of Holders of Master Obligations not joining in the giving of such direction (it being understood that the Master Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to such Holders of Master Obligations),

(b) The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction; and

(c) The Master Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 8.03(e) hereof is provided to it by such Holders.

Section 7.16. Waiver of Past Defaults and Future Covenant Requirements

The Majority Holders may on behalf of the Holders of all the Master Obligations waive any past Default or Event of Default hereunder and its consequences (or future covenant requirements), except a Default or covenant requirement with respect to:

(a) The payment of the principal of (or premium, if any) or interest on any Master Obligation, or

(b) A covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Master Obligation affected.

Upon any such waiver, such Default shall be deemed to have never occurred, and any Event of Default arising therefrom shall be deemed to have been cured *ab initio*, for every purpose of this Master Trust Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 7.17. Undertaking for Costs

All parties to this Master Trust Indenture agree, and each Holder of any Master Obligation by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Trust Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Holder of Master Obligations, or group of Holders of Master Obligations, holding in the aggregate more than 10% in principal amount of the Outstanding Master Obligations, or to any suit instituted by any Holder of Master Obligations for the enforcement of the payment of the principal of (or premium, if any) or interest on any Master Obligation on or after the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on or after the redemption date).

Section 7.18. Waiver of Stay or Extension Laws

Each Obligated Group Member covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Trust Indenture; and each Obligated Group Member (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

[End of Article VII]

**ARTICLE VIII
CONCERNING THE MASTER TRUSTEE**

Section 8.01. Duties and Liabilities of Master Trustee

(a) Except during the continuance of an Event of Default, the Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Indenture and no implied covenants or obligations shall be read into this Master Trust Indenture against the Master Trustee. The Master Trustee shall have no duty to review any financial statements provided by the Obligated Group hereunder, nor shall the Master Trustee be considered to have notice of the content of such statements or a default based on such content. The Master Trustee shall have no duty to verify the accuracy of such financial statements.

(b) In case any Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Indenture and use the same degree of care and skill in their exercise as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Trust Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in aggregate principal amount of Master Obligations (other than Master Obligations constituting Subordinated Indebtedness) then Outstanding or the provider of a Credit Facility relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred upon the Master Trustee under this Master Trust Indenture;

(iv) no provision of this Master Trust Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers without regard to whether it shall have grounds for believing that the repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it; and

(v) in the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Trust Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform in form to the requirements of this Master Trust Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein).

(d) Whether or not therein expressly so provided, every provision of this Master Trust Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 8.02. Notice of Defaults

Within 60 days after the occurrence of any Default or Event of Default hereunder of which the Master Trustee is deemed to have knowledge as provided in Section 8.03(h) hereof, the Master Trustee shall transmit by mail to all Holders of Master Obligations notice of such Default unless such Default shall have been cured or waived; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Master Obligations or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Master Obligations.

Section 8.03. Certain Rights of Master Trustee

Except as otherwise provided in Section 8.01 hereof:

(a) The Master Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person or any Obligated Group Representative Request; and any resolution of the Governing Body of any Person may be evidenced to the Master Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Master Trust Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate or an Opinion of Counsel, which shall conform to the provisions of Section 1.03; the Master Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(d) The Master Trustee may consult with 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, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Trust Indenture at the request or direction of any of the Holders of Master Obligations pursuant to the provisions of this Master Trust Indenture, unless such Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against

the costs, expenses and liabilities which might be incurred by it in connection with such request or direction;

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligated Group Members and each other obligor on the Master Obligations, personally or by agent or attorney;

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care hereunder;

(h) The Master Trustee shall not be required to take notice or be deemed to have knowledge of any Default or Event of Default hereunder, except an Event of Default under Section 7.01(a), unless a Responsible Officer has actually received notice of such default in writing from any Obligated Group Member or the Holder of any Master Obligations referencing the Master Obligations and describing such Default or Event of Default;

(i) The permissive right of the Master Trustee to do things enumerated in this Master Trust Indenture shall not be construed as a duty. It shall not be the duty of the Master Trustee, except as herein provided, to see that any duties or obligations herein imposed upon any Obligated Group Member or any other Person are performed, and the Master Trustee shall not be liable or responsible for the failure of any Obligated Group Member or any other Person to perform any act required of it or them by this Master Trust Indenture;

(j) The Master Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Master Trust Indenture;

(k) In the event the Master Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Master Obligations, each representing less than a majority in aggregate principal amount of the Master Obligations Outstanding, the Master Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(l) The Master Trustee's immunities and protections from liability in connection with the performance of its duties under this Master Trust Indenture shall extend to the Master Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Master Trustee's right to compensation, shall survive the Master Trustee's resignation or removal and final payment of the Master Obligations;

(m) Except for information provided by the Master Trustee concerning the Master Trustee, the Master Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Master Obligations, and the Master Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Master Obligations;

(n) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which

may subject the Master Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Master Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action and the Master Trustee shall not be required to take such foreclosure or similar action if it reasonably determines that the approval of a governmental regulator that cannot be obtained is necessary for such foreclosure or similar action;

(o) The Master Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Trust Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fire, flood, hurricanes or other storms, wars, terrorism, similar military disturbances, sabotage, epidemic, pandemic, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services, accidents, labor disputes or acts of civil or military authority or governmental action, it being understood that the Master Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances;

(p) In no event shall the Master Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(q) The rights, privileges, protections, immunities and benefits given to the Master Trustee, including, without limitation, its right to be compensated, reimbursed and indemnified, are extended to, and shall be enforceable by, the Master Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder;

(r) The Master Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Master Trust Indenture;

(s) The Master Trustee may request that the Obligated Group Representative deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to furnish the Master Trustee with Officer's Certificates, Requests, directions, notices and any other matters or directions pursuant to this Master Trust Indenture; and

(t) The Master Trustee shall be entitled to rely on all written investment instructions provided by the Obligated Group Representative hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. The Master Trustee shall be fully protected in relying on any written investment direction as to the suitability and legality of any such directed investment. The Obligated Group Representative acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Obligated Group the right to receive brokerage confirmations of security transactions, the Obligated Group Representative waives receipt of such confirmations.

Section 8.04. Not Responsible for Recitals or Issuance of Master Obligations

The recitals contained herein and in the Master Obligations (other than the certificate of authentication on such Master Obligations) shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Trust Indenture or of the Master Obligations or of the Trust Estate. The Master Trustee shall not be accountable for the use or application by the Obligated Group Members of any of the Master Obligations or of the proceeds of such Master Obligations or any money paid to the Obligated Group Members or upon any Obligated Group Member's direction under any provision of this Master Trust Indenture. The Master Trustee is not a party to, and is not responsible for, and makes no representation with respect to matters set forth in, any preliminary official statement, official statement or similar document prepared and distributed in connection with the transactions contemplated in this Master Trust Indenture. Notwithstanding the effective date of this Master Trust Indenture or anything to the contrary in this Master Trust Indenture, the Master Trustee shall have no liability or responsibility for any act or event relating to this Master Trust Indenture which occurs prior to the date the Master Trustee formally executes this Master Trust Indenture and commences acting as Master Trustee hereunder. The Master Trustee shall have no responsibility or liability of any kind as a result of any adverse consequence to any Holder of Master Obligations that constitute Subordinated Indebtedness as result of the terms of such Subordinated Indebtedness. The Master Trustee shall not be responsible for and makes no representation as to the tax exempt status of any Master Obligation or Related Bond.

The Master Trustee shall not be responsible for and makes no representation as to the Obligated Group's or any Member's right, title, or ownership in any of the Trust Estate and shall have no obligation for any defects therein or to inquire or investigate the same in any manner. The Master Trustee shall not be responsible for and makes no representation as to the existence or sufficiency of the Trust Estate, the creation, perfection, priority, sufficiency or protection of any Liens securing the Master Obligations and this Master Trust Indenture, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any Lien or Master Trust Indenture document. The Master Trustee shall not be responsible for and makes no representation as to the compliance by the Obligated Group Members with any covenant or statutory or regulatory requirement related to the Trust Estate. The Master Trustee makes no representation as to, and shall not be responsible for, the recording or re-recording filing, or filing or re-filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Trust Estate except as expressly provided in Section 11.06. The Master Trustee shall not be liable or responsible for the failure of the Obligated Group Members to maintain insurance on the Trust Estate as provided in this Master Trust Indenture, nor shall it be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured any Obligated Group Member, the Master Trustee or any other Person. The Master Trustee shall have no duty hereunder with respect to any complaint, claim, demand, notice or other document it may receive or which may be alleged to have been delivered to or served upon it by third parties as a consequence of the filing or recordation of any portion of the Trust Estate; provided, however, that the Master Trustee shall use commercially reasonable efforts to deliver to the Obligated Group Representative a copy of any such complaint, claim, demand, notice or other document which is delivered to the Corporate Trust Office and contains sufficient information to enable the Master Trustee to identify such complaint, claim, demand, notice or other document as pertaining to this Master Trust Indenture.

Section 8.05. Master Trustee or Registrar May Own Master Obligations

The Master Trustee, any Paying Agent, any registrar or any other agent of the Obligated Group Members, in its individual or any other capacity, may become the owner or pledgee of Master Obligations

and may otherwise deal with the Obligated Group Members with the same rights it would have if it were not Master Trustee, Paying Agent, Master Obligation registrar or such other agent.

Section 8.06. Money to Be Held in Trust

All money received by the Master Trustee shall, until used or applied 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. The Master Trustee shall be under no liability for interest on any money received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 8.07. Compensation and Expenses of Master Trustee

The Obligated Group Members agree:

(a) To pay to the Master Trustee from time to time reasonable compensation for all services (including extraordinary services) rendered by it hereunder in accordance with a written schedule provided by the Master Trustee to the Obligated Group Representative, which shall not be limited by any law on compensation of a trustee of an express trust;

(b) To reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Trust Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct;

(c) Each Obligated Group Member shall, jointly and severally, indemnify the Master Trustee and its officers, directors, employees and agents for, and hold it harmless against, any loss, liability, damage, claim or expense incurred by it without negligence or willful misconduct on its part, arising out of and in connection with the acceptance or administration of this trust and the performance of its duties hereunder or the exercise of its rights and powers hereunder or under the Master Obligations, including the costs and expenses (including reasonable attorney's fees, costs and expenses) of defending itself against any claim or liability and of enforcing this Master Trust Indenture and the Master Obligations (whether asserted by any Holder of Master Obligations, any Obligated Group Member or otherwise), and such indemnification shall survive the termination of this Master Trust Indenture, the payment in full of all Master Obligations issued hereunder or the sooner resignation or removal of the Master Trustee;

(d) In the case of any claim indemnified by the Obligated Group Members hereunder that is covered by a policy of insurance maintained by or on behalf of the Obligated Group Members, the Master Trustee agrees to cooperate, at the Obligated Group Members' expense, with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim;

(e) To secure the Obligated Group Members' payment obligations in this Section 8.07, the Master Trustee shall have a Lien prior to the Master Obligations on all money or Property held or collected by the Master Trustee, including funds held in the Debt Service Reserve Fund, except that held in trust to pay principal and interest on particular Master Obligations; such Lien shall survive the satisfaction and discharge of this Master Trust Indenture and resignation or removal of the Master Trustee; and

(f) “Master Trustee” for the purposes of this Section 8.07 shall include any predecessor Master Trustee and the Master Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder; provided, however, that the negligence or willful misconduct of any Master Trustee hereunder shall not affect the rights of any other Master Trustee hereunder.

Section 8.08. Corporate Master Trustee Required; Eligibility

There shall at all times be a Master Trustee hereunder which shall be a banking corporation, bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state banking authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect hereinafter specified in this Article VIII.

Section 8.09. Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Master Trustee under Section 8.10 hereof.

(b) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed (i) if no Default or Event of Default has occurred and is continuing under this Master Trust Indenture, then by act of the Obligated Group Representative delivered to the Master Trustee, and (ii) at any time by act of the Majority Holders delivered to the Master Trustee and to the Obligated Group Representative.

(d) If at any time:

(i) the Master Trustee shall cease to be eligible under Section 8.08 hereof and shall fail to resign after written request therefor by the Obligated Group Representative or by any such Holder of Master Obligations, or

(ii) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Trustee or of its Property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its Property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Obligated Group Representative by written request may remove the Master Trustee or (B) subject to Section 7.15 hereof, any Holder of Master Obligations who has been a bona fide Holder of a Master Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Majority Holders shall promptly appoint a successor Master Trustee. If no successor Master Trustee shall have been so appointed by the Majority Holders and accepted appointment in the manner hereinafter provided, any Holder of Obligations who has been a bona fide Holder of an Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Obligated Group Representative shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first class mail, postage prepaid, to the registered Holders of Master Obligations at their addresses as shown in the Obligation Register. Each notice shall include the name and address of the designated Corporate Trust Office of the successor Master Trustee.

Section 8.10. Acceptance of Appointment by Successor

Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligated Group Representative and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee; but, on the reasonable written request of the Obligated Group Representative or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges and the amounts due to it hereunder, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee and shall duly assign, transfer and deliver to the successor Master Trustee all Property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Obligated Group Representative shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article VIII. The indemnity provided for in Section 8.07(c) hereof herein shall continue to be binding upon the Members of the Obligated Group for the benefit of the retiring or removed Master Trustee.

Section 8.11. Merger or Consolidation

Any entity into which the Master Trustee may be merged or with which it may be consolidated, any entity resulting from any merger or consolidation to which the Master Trustee shall be a party or any entity succeeding to all or substantially all of the corporate trust business of the Master Trustee shall be the successor Master Trustee hereunder, provided such entity shall be otherwise qualified and eligible under this Article VIII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Master Obligations shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Master Obligations so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Master Obligations.

Section 8.12. Co-Master Trustee

It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and

in particular in case of the enforcement of this Master Trust Indenture upon the occurrence of an Event of Default, it may be necessary that the Master Trustee appoint an additional individual or institution as a separate Master Trustee or Co-Master Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Master Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Master Trustee or to hold a security interest in the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Master Trustee with respect thereto shall be exercisable by and vest in a separate Master Trustee or Co-Master Trustee appointed by the Master Trustee but only to the extent necessary to enable the separate Master Trustee or Co-Master Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Master Trustee or Co-Master Trustee shall run to and be enforceable by either of them. Should any deed, conveyance or instrument in writing from any Obligated Group Member be required by the separate Master Trustee or Co-Master Trustee so appointed by the Master Trustee in order to more fully and certainly vest in and confirm to such separate Master Trustee or Co-Master Trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by such Obligated Group Member, at the expense of the Obligated Group. In case any separate Master Trustee or Co-Master Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Master Trustee or Co-Master Trustee, so far as permitted by law, shall vest in and be exercised by the Master Trustee until the appointment of a new Master Trustee or successor to such separate Master Trustee or Co-Master Trustee.

[End of Article VIII]

ARTICLE IX SUPPLEMENTS AND AMENDMENTS

Article 9.01. Supplements Without Consent of Holders of Master Obligations

Without the Consent of the Holders of any Master Obligations, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee at any time may enter into one or more Supplements for any of the following purposes:

- (a) To evidence the succession of another Person to an Obligated Group Member, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of an Obligated Group Member as permitted by this Master Trust Indenture or to evidence additions to, or withdrawals from, membership in the Obligated Group in accordance with the provisions of Article VI hereof;
- (b) To add to the covenants of the Obligated Group Members for the benefit of the Holders of Master Obligations, to surrender any right or power herein conferred upon the Obligated Group Members or to add to the Events of Default enumerated in Section 7.01 hereof;
- (c) To cure any ambiguity or to correct or supplement any provision herein that may be inconsistent with any other provision herein;
- (d) To modify or supplement this Master Trust Indenture in such manner as may be necessary or appropriate to qualify this Master Trust Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal or state statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Obligated Group Members undertake such covenants, conditions or restrictions additional to those contained in this Master Trust Indenture as would be necessary or appropriate so to qualify this Master Trust Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Trust Indenture or in any Supplements provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;
- (e) To create and provide for the issuance of Master Obligations as permitted hereunder;
- (f) To increase or maintain any credit rating assigned to any series of Related Bonds by a Rating Agency so long as no Master Obligation issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness);
- (g) To change Section 4.14 to permit the financial statements required therein to more accurately reflect the financial position and operations of the Obligated Group;
- (h) To make any amendment to any provision of this Master Trust Indenture or to any Supplement which is only applicable to Master Obligations issued thereafter or which will not apply so long as any Master Obligation then Outstanding remains Outstanding.

Section 9.02. Supplements With Consent of Holders of Master Obligations

With the Consent of the Majority Holders, by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a

Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Trust Indenture or of modifying in any manner the rights of the Holders of the Master Obligations under this Master Trust Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby,

(a) Change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(b) Reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Trust Indenture or certain defaults hereunder and their consequences) provided for in this Master Trust Indenture, or

(c) Modify any of the provisions of this Section or Section 7.15, except to increase any such percentage or to provide that certain other provisions of this Master Trust Indenture cannot be modified or waived without the Consent of the Holder of each Master Obligation affected thereby.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in subsections (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in subsections (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

It shall not be necessary for any Act of Holders of Master Obligations under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

Notwithstanding the foregoing, while the Series 2016 Bonds and the Series 2017 Bonds remain Outstanding, this Master Trust Indenture shall not be amended without the prior written consent of the beneficial owners of a majority in principal amount of the Series 2016 Bonds and the Series 2017 Bonds.

Section 9.03. Execution of Supplements

In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modifications thereby of the trusts created by this Master Trust Indenture, the Master Trustee shall be entitled to receive, and shall be fully protected in conclusively relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Master Trust Indenture and that all conditions precedent thereto have been complied with. In connection with the execution and delivery of a Supplement pursuant to Section 9.01(c), the Master Trustee, in its discretion, may determine whether or not in accordance with such Section the

Holders of the Master Obligations would be affected by such Supplement, and any such determination shall be binding and conclusive on the Members of the Obligated Group and the Holders of the Master Obligations. The Master Trustee may receive and be entitled to conclusively rely upon an Opinion of Counsel as conclusive evidence as to whether the Holders of the Master Obligations would be so affected by any such Supplement. The Master Trustee may, but shall not (except to the extent required in the case of a Supplement entered into under Section 9.01(d)) be obligated to, enter into any such Supplement which affects the Master Trustee's own rights, duties or immunities under this Master Trust Indenture or otherwise.

Section 9.04. Effect of Supplement

Upon the execution of any Supplement under this Article, this Master Trust Indenture shall, with respect to each series of Master Obligations to which such Supplement applies, be modified in accordance therewith, and such Supplement shall form a part of this Master Trust Indenture for all purposes, and every Holder of Master Obligations thereafter or (except to the extent provided pursuant to Section 9.01(h)) theretofore authenticated and delivered hereunder shall be bound thereby.

Section 9.05. Master Obligations May Bear Notation of Changes

Master Obligations authenticated and delivered after the execution of any Supplement pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Master Obligations so modified as to conform, in the opinion of the Master Trustee and the Obligated Group Representative, to any such Supplement may be prepared and executed by the applicable Obligated Group Member and authenticated and delivered by the Master Trustee in exchange for Master Obligations then Outstanding.

[End of Article IX]

ARTICLE X
SATISFACTION AND DISCHARGE OF INDENTURE

Section 10.01. Satisfaction and Discharge of Indenture

If at any time the Obligated Group Members shall have paid or caused to be paid the principal of (and premium, if any) and interest on all the Master Obligations Outstanding hereunder, as and when the same shall have become due and payable, and if the Obligated Group Members shall also pay or provide for the payment of all other sums payable hereunder by each Obligated Group Member, then this Master Trust Indenture shall cease to be of further effect (except as to (a) rights of registration of transfer and exchange, (b) substitution of mutilated, defaced or apparently destroyed, lost or stolen Master Obligations, (c) rights of Holders to receive payments of principal thereof (and premium, if any) and interest thereon, (d) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder, and (e) the rights of the Holders as beneficiaries hereof with respect to the Property so deposited with the Master Trustee payable to all or any of them) and the Master Trustee, on the Obligated Group Representative's Request accompanied by an Officer's Certificate and an Opinion of Counsel (both to the effect that all conditions precedent in this Master Trust Indenture relating to the satisfaction and discharge of this Master Trust Indenture have been satisfied) and at the cost and expense of the Obligated Group Representative, shall execute proper instruments acknowledging satisfaction of and discharging this Master Trust Indenture.

Notwithstanding the satisfaction and discharge of this Master Trust Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 8.07 and, if funds shall have been deposited with the Master Trustee pursuant to Section 10.02, the obligations of the Master Trustee under Section 10.03 shall survive.

Section 10.02. Master Obligations Deemed Paid

Master Obligations of any series shall be deemed to have been paid if (a) (1) in case such Master Obligations are to be redeemed on any date prior to their Stated Maturity, the Obligated Group Representative by Obligated Group Representative Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Master Obligations on said redemption date, (2) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a verification report of an Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Master Obligations on and prior to the redemption date or Stated Maturity thereof, as the case may be, (3) the Related Bonds secured by such Obligation shall have received a rating of AAA or its equivalent from a Rating Agency, (4) there must be submitted to the Issuer and the Related Bond Trustee an Opinion of Bond Counsel to the effect that the defeasance of the Related Bonds will not cause interest on the Related Bonds to become includable in gross income for federal income tax purposes and (5) in the event said Master Obligations are not by their terms subject to redemption within the next 45 days, the Obligated Group Representative by Obligated Group Representative Request shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Holders of such Master Obligations that the deposit required by (2) above has been made with the Master Trustee and that said Master Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal of (and premium, if any) and interest on said Master Obligations or (b) such Master Obligations are delivered to the Master Trustee by the Related Bond Trustee together with instructions from the Obligated Group Representative directing the Master Trustee to retire and cancel such Master Obligations.

Section 10.03. Application of Trust Money

The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 10.02 hereof and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested and shall be applied by it in accordance with the provisions of the Master Obligations and this Master Trust Indenture to the payment, either directly or through any Paying Agent (including the Obligated Group Representative acting as Paying Agent) as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Accountant or a nationally recognized firm with experience preparing verification reports setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (a)(ii) of Section 10.02 hereof, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Obligated Group Representative Request, be reinvested, to the extent practicable, in other Defeasance Obligations or disposed of as requested by the Obligated Group Representative. For purposes of any calculation required by this Article X, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer and the principal of such obligation shall be assumed to be received at its stated maturity.

Section 10.04. Payment of Related Bonds

Notwithstanding any other provision of this Article X, no Master Obligation will be considered paid or deemed to have been paid unless the Related Bonds, if any, have been paid or deemed paid pursuant to the Related Bond Indenture.

[End of Article X]

**ARTICLE XI
MISCELLANEOUS PROVISIONS**

Section 11.01. No Personal Liability

No recourse under this Master Trust Indenture or any Master Obligations shall be had against any officer, director, agent or employee, as such, past, present or future, of any Obligated Group Member, any Affiliate, the Master Trustee or of any successor corporation; it being expressly understood that this Master Trust Indenture and the obligations incurred hereunder are solely obligations of the entities named herein as Obligated Group Members, that no personal liability whatever shall attach to such persons or any of them under this Master Trust Indenture or any Master Obligations, and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such person because of the creation of the indebtedness hereby authorized or under or by reason of the obligations, covenants or agreements contained in this Master Trust Indenture or in any Master Obligations are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Trust Indenture and the issue of such Master Obligations.

Section 11.02. Choice of Law

This Master Trust Indenture and the Master Obligations shall be deemed to be contracts made under the laws of the State of North Carolina and for all purposes shall be construed in accordance with the laws of the State of North Carolina applicable to contracts made and to be performed in the State of North Carolina without regard to conflict of law principles.

Section 11.03. Legal Holidays

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Master Trust Indenture, shall be a legal holiday, a day on which banking institutions in New York, New York are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday, a day on which such banking institutions are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, with the same force and effect as if done on the nominal date provided in this Master Trust Indenture.

Section 11.04. Benefits of Provisions of Master Trust Indenture and Master Obligations

Nothing in this Master Trust Indenture or in the Master Obligations, expressed or implied, shall give or be construed to give any Person, other than the parties hereto, the provider of any Credit Facility and the Holders of such Master Obligations, any legal or equitable right, remedy or claim under or in respect of this Master Trust Indenture or under any covenant, condition and provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of such Master Obligations.

Section 11.05. Execution in Counterparts

This Master Trust Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Master Trust Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Master Trust Indenture as to the

parties hereto and may be used in lieu of the original Master Trust Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 11.06. UCC Financing Statements

The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code financing statement, continuation statement or amendment that may be required by law or is necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Trust Indenture and shall timely provide a recorded copy of each filed original financing statement filed pursuant to Section 4.03 to the Master Trustee. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests or the accuracy or sufficiency of any description of collateral in such filings, and unless the Master Trustee shall have been notified by the Obligated Group that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in conclusively relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this Section. The Master Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by Article 9 of the Uniform Commercial Code in order to continue the Uniform Commercial Code financing statements in connection with the security interests created by this Master Trust Indenture that were initially filed by the Members of the Obligated Group; provided, however, no such agreement shall apply or extend to any amendment or new original filing required pursuant to Section 4.07 and any event described therein. The Obligated Group shall be responsible for and shall pay any reasonable expenses and customary fees, including legal fees incurred under this section.

Section 11.07. [Reserved]

Section 11.08. Entire Agreement

This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof, and incorporates and supersedes all prior discussions, negotiations, understandings, and agreements with respect thereto, including without limitation the 2017 Master Trust Indenture.

Section 11.09. Amendment and Restatement; Effect of Existing Supplements

This Master Trust Indenture amends and restates the 2017 Master Trust Indenture in its entirety. This Master Trust Indenture continues to be supplemented by Supplement Number 1, Supplement Number 2, and Supplement Number 3.

[End of Article XI]

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first above written.

SAMARITAN HOUSING FOUNDATION, INC.,
as the initial Obligated Group Member

By: _____
President

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Signatory

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[Signature Page to Master Trust Indenture]

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community
as an Obligated Group Member and as the Obligated Group Representative

and

UMB BANK, NATIONAL ASSOCIATION
as Master Trustee

SUPPLEMENTAL INDENTURE NUMBER 5

Dated as of October 1, 2021

Relating to

**§[2021A Amount]
Public Finance Authority
Revenue Bonds
(Searstone CCRC Project)
Series 2021A**

**§[2021B-1 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-1**

**§[2021B-2 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-2**

**§[2021C Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021C Taxable**

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Exhibit A – Third Amended and Restated Master Trust Indenture

SUPPLEMENTAL INDENTURE NUMBER 5

THIS SUPPLEMENTAL INDENTURE NUMBER 5, dated as of October 1, 2021 (this “Supplement Number 5”), between **SAMARITAN HOUSING FOUNDATION, INC.** d/b/a Searstone Retirement Community (the “Corporation”), as an Obligated Group Member and as the Obligated Group Representative (the “Obligated Group Representative”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligated Group Representative and the Master Trustee are parties to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, and Supplemental Indenture Number 4, dated as of June 1, 2020, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of October 1, 2021 (the “Bond Indenture”), between the Public Finance Authority (the “Issuer”) and UMB Bank, National Association, as trustee (the “Bond Trustee”), the Issuer has contemporaneously herewith issued its Revenue Bonds (Searstone CCRC Project) Series 2021A, in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1, in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2, in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021 Bonds”), for the purpose of (a) financing capital expenditures, including but not limited to, costs relating to the expansion of the Corporation’s existing continuing care retirement community located at 17001 Searstone Drive, Cary, North Carolina 27513, in the Town of Cary, Wake County, North Carolina (the “Community”), specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (collectively, the “Phase II Expansion Project”); (b) financing capital expenditures, including but not limited to, costs relating to modifying, improving, and enhancing certain infrastructure serving the Community; (c) refunding the Refunded 2020 Bonds (as defined in the Bond Indenture); (d) funding capitalized interest on the Series 2021 Bonds; (e) funding a portion of the Debt Service Reserve Fund created under the Master Indenture so as to secure the Series 2021A Obligation (as defined below); (f) funding the 2021B-C Debt Service Reserve Fund created under the Bond Indenture; and (g) paying a portion of the costs of issuance of the Series 2021 Bonds; and

WHEREAS, pursuant to the Loan Agreement dated as of October 1, 2021 (the “Loan Agreement”), between the Corporation and the Issuer, the Obligated Group Representative has agreed to issue the Series 2021 Obligations (as defined herein) created by this Supplement Number 5 to evidence the obligation of the Obligated Group Representative to make the payments required under the Loan Agreement; and

WHEREAS, the Obligated Group Representative is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver such Series 2021 Obligations pursuant to the Master Trust Indenture; and

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of such Series 2021 Obligations; and

WHEREAS, all acts and things necessary to make the Series 2021 Obligations authorized by this Supplement Number 5, when executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture and this Supplement Number 5, the valid, binding and legal obligation of the Obligated Group Representative, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplement Number 5 and the issue hereunder and under the Master Trust Indenture of the Series 2021 Obligations created by this Supplement Number 5 have in all respects been duly authorized, and the Obligated Group Representative, in the exercise of the legal right and power vested in it, executes this Supplement Number 5 and proposes to make, execute, issue and deliver the Series 2021 Obligations created hereby;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Series 2021 Obligations authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Series 2021 Obligations created hereby by the Holder thereof, the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

ARTICLE I DEFINITIONS OF TERMS

Section 1.01 Definitions.

Except as provided in Article V hereof, capitalized terms used in this Supplement Number 5 that are not defined herein shall have the meanings assigned to them in the Master Indenture.

“2021B-C Debt Service Reserve Fund” has the meaning set forth in Section 1.1 of the Loan Agreement.

“Cumulative Cash Operating Loss” means, commencing with the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Phase II Expansion Project, 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 from the Independent Living Units included in the Phase II Expansion Project), 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 part of the Phase II Expansion Project paid from moneys other than 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 Series 2021 Bonds or interest earnings thereon.

“Entrance Fee Fund” means the fund created by Section 2.01 hereof.

“Occupied” means an Independent Living Unit for which a Residence and Services Agreement has been executed and all related Entrance Fees have been paid.

“Outstanding” with respect to the Series 2021 Bonds, has the meaning set forth in Section 1.1 of the Loan Agreement.

“Phase II Expansion Project” has the meaning set forth in the preambles to this Supplement Number 5.

“Phase II Operating Reserve Fund” means the fund created by Section 2.03 hereof.

“Phase II Operating Reserve Requirement” means, after the opening of the Phase II Expansion Project, an amount equal to the marginal increase resulting from the opening of the Phase II Expansion Project in the operating reserve requirement imposed by applicable North Carolina statutes, which is fifty percent (50%) of the total operating expenses of the Facilities shown in the forecast statements required by N.C.G.S. 58-64-20(a)(12) for the 12-month period following the period covered by the most recent disclosure statement filed with the North Carolina Department of Insurance (the “DOI”), but will exclude depreciation, amortized expenses, and extraordinary items as approved by the Commissioner of Insurance (the “Commissioner”). If the Facilities maintain an occupancy level in excess of ninety percent (90%), the operating reserve requirement shall be twenty-five percent (25%) of such total operating expenses upon approval of the Commissioner, unless otherwise instructed by the Commissioner. On or before the date that the Corporation transfers the first Initial Entrance Fee for an Independent Living Unit in the Phase II Expansion Project to the Master Trustee for deposit into the Entrance Fee Fund, the Corporation shall deliver an Officer’s Certificate to the Master Trustee specifying the Phase II Operating Reserve Requirement and setting forth the calculation thereof. If the Phase II Operating Reserve Requirement increases after the delivery of the initial Officer’s Certificate specifying such amount, the Corporation may deliver one or more additional Officer’s Certificates to the Master Trustee specifying an updated Phase II Operating Reserve Requirement and setting forth the calculation thereof.

“Reserved” means an Independent Living Unit (a) which is Occupied or (b) for which a Member of the Obligated Group has received a deposit equal to or greater than 10% of the Entrance Fee related to such Independent Living Unit.

“Stable Occupancy” means the last day of the first full Fiscal Year during which the aggregate average annual occupancy of the Independent Living Units that are part of the Phase II Expansion Project is equal to or greater than 85%.

“Working Capital Fund” means the fund created by Section 2.03 hereof.

“Series 2021 Bonds” has the meaning set forth in the preambles to this Supplement Number 5.

“Series 2021A Bonds” has the meaning set forth in the preambles to this Supplement Number 5.

“Series 2021B-1 Bonds” has the meaning set forth in the preambles to this Supplement Number 5.

“Series 2021B-2 Bonds” has the meaning set forth in the preambles to this Supplement Number 5.

“Series 2021C Bonds” has the meaning set forth in the preambles to this Supplement Number 5.

“Series 2021 Obligations” means, collectively, the Series 2021A Obligation and the Series 2021B-C Obligation.

“Series 2021A Obligation” has the meaning set forth in Section 3.01Section 3.01(a).

“Series 2021B-C Obligation” has the meaning set forth in Section 3.01Section 3.01(b).

[End of Article I]

ARTICLE II FUNDS

Section 2.01 Entrance Fee Fund.

(a) The Master Trustee shall establish and maintain a separate fund to be known as the “Entrance Fee Fund - Phase II Expansion Project” (the “Entrance Fee Fund”). All moneys received by the Master Trustee and held in the Entrance Fee Fund pursuant to this Section 2.01 shall be trust funds under the terms of this Supplement Number 5 and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture. Moneys in the Entrance Fee Fund shall not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Supplement Number 5 and the Master Indenture.

The Members of the Obligated Group hereby agree that all Initial Entrance Fees for Independent Living Units that are part of the Phase II Expansion Project received by the Members of the Obligated Group shall be transferred to the Master Trustee within five Business Days of the receipt thereof for deposit into the Entrance Fee Fund; provided, however, that no such Initial Entrance Fee or any portion thereof shall be subject to transfer by the Obligated Group Representative so long as such Initial Entrance Fee or portion thereof must be held in escrow pursuant to Article 64 of Title 58 of the North Carolina General Statutes, as amended; provided, further, that no such Initial Entrance Fee is required to be transferred to the Master Trustee for deposit into the Entrance Fee Fund until 100% of such Initial Entrance Fee has been received by the Members of the Obligated Group. The investment of the moneys held in the Entrance Fee Fund shall be subject to yield restriction as provided in the Tax Agreement (as defined in the Loan Agreement) until the Obligated Group Representative delivers an opinion of nationally recognized municipal bond counsel (which counsel and opinion are in a form acceptable to the Master Trustee) to the Master Trustee to the effect that no such yield restriction is required to maintain any exemption from federal income taxation to which the interest on any Related Bonds would otherwise be entitled.

(b) The Master Trustee shall apply all Initial Entrance Fees in the Entrance Fee Fund within two Business Days of receipt, as follows:

First: To the Corporation to pay refunds required by Residence and Services Agreements for which the Corporation has not received a corresponding replacement Entrance Fee with respect to the applicable Independent Living Unit in the Phase II Expansion Project. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Corporation certifying that the Corporation is required by a Residence and Services Agreement to pay such refunds within the next 30 days, and the amount of such refunds.

Second: After the transfers described in paragraph First above, to the Working Capital Fund until the principal amount transferred to the Working Capital Fund equals \$ _____.

Third: After the transfers described in paragraphs First and Second above, to the Phase II Operating Reserve Fund until the total amount transferred from the Entrance Fee Fund to the Phase II Operating Reserve Fund equals the Phase II Operating Reserve Requirement or to replenish the Working Capital Fund if any funds have been transferred to the Phase II Operating Reserve Fund from the Working Capital Fund in order to satisfy the Phase II Operating Reserve Fund Requirement.

Fourth: After the transfers described in paragraphs First, Second and Third above have been made, if the initial deposit to the Working Capital Fund has been depleted after any

replenishment described in Third above, to make an additional deposit to the Working Capital Fund up to \$2,500,000 in the aggregate.

Fifth: After the transfers described in paragraphs First, Second, Third and Fourth above have been made, while any Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds, remain Outstanding, on each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an “Entrance Fee Transfer Date”), the amount remaining shall be transferred to the Entrance Fee Redemption Account established under Section 3.02 of the Bond Indenture.

Sixth: After the transfers described in paragraphs First, Second, Third, Fourth and Fifth above have been made, the amount remaining of the first 141 Initial Entrance Fees deposited into the Entrance Fee Fund (i.e., the first approximately 93% of the Initial Entrance Fees) shall be transferred to the Corporation.

Seventh: After the transfers described in paragraphs First, Second, Third, Fourth, Fifth and Sixth above have been made, the amount remaining of the final 11 Initial Entrance Fees deposited into the Entrance Fee Fund (i.e., the final approximately 7% of the Initial Entrance Fees) shall be applied to pay up to \$7,000,000 (minus the amount deposited pursuant to paragraph Fourth above to replenish the Working Capital Fund) of principal of or accrued interest on the Series 2012 Subordinated Obligations in accordance with Section 9.02 of Supplement Number 1 if the following conditions are satisfied:

(i) as of the last day of the most recent fiscal quarter for which financial statements have been delivered under Section 4.14 of the Master Indenture, the Obligated Group had at least 200 Days Cash on Hand; and

(ii) the Debt Service Coverage Ratio of the Obligated Group for the period of four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter for which financial statements have been delivered under Section 4.14 of the Master Indenture was not less than 1.30.

(c) Upon the occurrence of an Event of Default under Section 7.01(a), (c), or (d) of the Master Indenture, or if the Cumulative Cash Operating Loss exceeds the permitted levels set forth in Section 6.06 by more than 35% for four consecutive fiscal quarters, the Master Trustee shall discontinue making transfers from the Entrance Fee Fund pursuant to (b) above.

(d) After Stable Occupancy has occurred, none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and the transfers described in subsection (b) above have been made, and if no Event of Default has occurred and is continuing, the Members of the Obligated Group shall no longer be required to transfer any additional Initial Entrance Fees for Independent Living Units that are part of the Phase II Expansion Project they receive to the Master Trustee for deposit into the Entrance Fee Fund. Upon the delivery by the Obligated Group Representative to the Master Trustee of an Officer's Certificate confirming satisfaction of these conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Corporation and the Entrance Fee Fund shall be closed.

Section 2.02 Working Capital Fund.

The Master Trustee shall establish and maintain a separate fund to be known as the “Working Capital Fund - Phase II Expansion Project” (the “Working Capital Fund”). All moneys held in the Working Capital Fund shall be trust funds under the terms of this Supplement Number 5 and the Master Indenture

for the benefit of all of the Obligations Outstanding under the Master Indenture (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Supplement Number 5 and the Master Indenture. The Working Capital Fund shall be funded initially in the amount of \$_____ after construction of the Phase II Expansion Project with Initial Entrance Fees deposited in the Entrance Fee Fund and transferred to the Working Capital Fund pursuant to Section 2.01(b) hereof.

Moneys in the Working Capital Fund shall be disbursed by the Master Trustee to or for the account of the Corporation within seven days of receipt by the Master Trustee of an Officer's Certificate of the Corporation to the effect that (i) such moneys will be used to pay (a) operating expenses of the Corporation, (b) costs of completing the Phase II Expansion Project, (c) the costs of needed repairs to the Facilities, (d) the costs of capital improvements to the Facilities required by law or regulation, (e) judgments against the Corporation, or (f) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Obligation (as defined in the Master Indenture), the Series 2017 Master Obligation (as defined in the Master Indenture), or the Series 2021 Obligations, and (ii) such moneys are anticipated to be expended in the calendar month following the month in which such Officer's Certificate is submitted, together with an itemized budget describing the uses for which such moneys are needed and the amount needed for each such use. The Master Trustee shall deposit to the Phase II Operating Reserve Fund from the Working Capital Fund such amounts as are necessary for the balance of the Phase II Operating Reserve Fund to equal the Phase II Operating Reserve Fund Requirement. In addition, the Master Trustee shall transfer moneys from the Working Capital Fund to the Bond Fund created under the Bond Indenture upon request of the Bond Trustee pursuant to Section 3.05 of the Bond Indenture. If the initial deposit to the Working Capital Fund has been depleted, an additional deposit of up to \$2,500,000 of Initial Entrance Fees may be made to the Working Capital Fund pursuant to Section 2.01(b) hereof.

If none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and if no Event of Default has occurred and is continuing, any amounts on deposit in the Working Capital Fund shall be remitted to the Corporation and the Working Capital Fund shall be closed.

Section 2.03 Phase II Operating Reserve Fund.

The Master Trustee shall establish and maintain a separate fund to be known as the "Operating Reserve Fund – Phase II Expansion Project" (the "Phase II Operating Reserve Fund"). All moneys held in the Phase II Operating Reserve Fund, shall be trust funds under the terms of this Supplement Number 5 and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Supplement Number 5 and the Master Indenture. After the Working Capital Fund has been initially funded, Initial Entrance Fees deposited in the Entrance Fee Fund shall be transferred to the Phase II Operating Reserve Fund until its balance equals the Phase II Operating Reserve Requirement.

After all moneys have been withdrawn from the Working Capital Fund, moneys in the Phase II Operating Reserve Fund shall be disbursed by the Master Trustee to or for the account of the Corporation within seven days of receipt by the Master Trustee of an Officer's Certificate of the Corporation to the effect that (i) such moneys will be used to pay (a) operating expenses of the Corporation, (b) the costs of needed repairs to the Facilities, (c) the costs of capital improvements to the Facilities required by law or regulation, (d) judgments against the Corporation, or (e) amounts due on any Indebtedness of the Corporation, including without limitation, the Series 2016 Obligation (as defined in the Master Indenture), the Series 2017 Master Obligation (as defined in the Master Indenture), or the Series 2021 Obligations, (ii) such moneys are anticipated to be expended in the calendar month following the month in which such Officer's Certificate is submitted, together with an itemized budget describing the uses for which such moneys are

needed and the amount needed for each such use, (iii) no moneys are on deposit in the Working Capital Fund, and (iv) evidence of the approval of such disbursement by the Commissioner. The Master Trustee shall transfer moneys from the Phase II Operating Reserve Fund to the Bond Fund created under the Bond Indenture upon request of the Bond Trustee pursuant to Section 3.05 of the Bond Indenture.

The Master Trustee shall deposit to the Phase II Operating Reserve Fund from the Working Capital Fund such amounts as are necessary for the balance of the Phase II Operating Reserve Fund to equal the Phase II Operating Reserve Fund Requirement. If the balance of the Phase II Operating Reserve Fund exceeds the Phase II Operating Reserve Fund Requirement, the Master Trustee shall transfer such excess amount to the Corporation.

Notwithstanding any provision of this Section to the contrary, amounts deposited into the Phase II Operating Reserve Fund shall only be released upon the submittal of a detailed request from the Obligated Group Representative to the DOI and must be approved by the Commissioner. Such requests must be submitted in writing for the Commissioner to review at least 10 Business Days prior to the date of withdrawal of such funds from the Phase II Operating Reserve Fund.

If none of the Series 2021C Bonds, Series 2021B-2 Bonds or Series 2021B-1 Bonds remain Outstanding, and if no Event of Default has occurred and is continuing, any amounts on deposit in the Phase II Operating Reserve Fund shall be remitted to the Corporation and the Phase II Operating Reserve Fund shall be closed.

Section 2.04 Use of Moneys in Funds.

In the event insufficient funds are available for the payment of debt service on the Series 2021 Obligations, the amounts held in the following funds shall be used in the following order of priority: first, amounts held in the Working Capital Fund; second, amounts held in the Phase II Operating Reserve Fund; and third, the Debt Service Reserve Fund or the 2021B-C Debt Service Reserve Fund, as applicable.

Section 2.05 Investment of Funds.

Any moneys held by the Master Trustee hereunder as part of any fund or account established under this Supplement Number 5 shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to rely). If the Obligated Group Representative does not provide investment instructions, the Master Trustee shall invest such monies in a money market fund permitted by paragraph (i) of the definition of Permitted Investments in the Master Indenture. Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee at such times as it is anticipated that moneys from the particular fund will be required for the purposes of this Supplement Number 5. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the Corporation is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its respective affiliates. If an Event of Default has occurred and is continuing, investments shall be directed in writing by Majority Holders, or if Majority Holders fail to give such direction, only in obligations described in paragraph (i) of the definition of Permitted Investments.

The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Supplement Number 5. The Master Trustee shall make copies of such records available to the Obligated Group Representative, upon its reasonable written request.

Section 2.06 Allocation and Transfers of Investment Income.

Any investment earnings in the Entrance Fee Fund shall be retained in the Entrance Fee Fund. Any investment earnings in the Working Capital Fund shall be retained in the Working Capital Fund. Any investment earnings in the Phase II Operating Reserve Fund shall be retained in the Phase II Operating Reserve Fund.

Section 2.07 Master Trustee Relieved From Responsibility.

The Master Trustee shall be fully protected in relying upon any Obligated Group Representative Request relating to investments in any fund, and shall not be liable for any losses or prepayment penalties as a result of complying with any such Obligated Group Representative Request, and shall not be required to ascertain any facts with respect to such request.

[End of Article II]

**ARTICLE III
SERIES 2021 OBLIGATIONS**

Section 3.01 Series 2021 Obligations.

(a) There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled Samaritan Housing Foundation, Inc. Series 2021A Obligation (the “Series 2021A Obligation”). The Series 2021A Obligation, in the principal amount of \$[2021A Amount], may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

(b) There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled Samaritan Housing Foundation, Inc. Series 2021B-C Obligation (the “Series 2021B-C Obligation”). The Series 2021B-C Obligation, in the principal amount of \$[2021B-C Amount] may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 3.02 Series 2021A Obligation Secured by Reserve Fund No. 1.

The Debt Service Reserve Fund created pursuant to Section 3.06 of the Master Indenture and referred to as Reserve Fund No. 1 shall secure the Series 2021A Obligation on an equal and ratable basis with the Series 2017 Master Obligation and any Additional Master Obligations evidencing Indebtedness other than Subordinated Indebtedness if required by the related Supplement. Simultaneously with the issuance of the Series 2021A Obligation, the Corporation shall transfer, or cause to be transferred, to the Master Trustee for deposit into Reserve Fund No. 1 \$_____ of the sale proceeds of the Series 2021A Bonds, which is the difference between the Debt Service Reserve Fund Requirement for Reserve Fund No. 1, \$_____, and the amount of proceeds of the Series 2017 Bonds required to be on deposit in Reserve Fund No. 1, \$5,024,246.25. The Master Trustee shall establish accounts within Reserve Fund No. 1 to be known as the “Series 2017 Account” and the “Series 2021A Account” and shall deposit the proceeds of Series 2017 Bonds it has on hand and the proceeds of the Series 2021A Bonds it receives into such accounts.

Section 3.03 Form of Series 2021 Obligations.

Both the Series 2021A Obligation and Series 2021B-C Obligation created hereby shall be in the form of a fully registered Obligation without coupons, each shall be dated October [___], 2021, each shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2021 Obligation, and shall be substantially in the following form:

**THIS OBLIGATION HAS NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933
OR ANY STATE SECURITIES LAW**

\$[2021A AMOUNT/2021B-C AMOUNT]

SAMARITAN HOUSING FOUNDATION, INC.
SERIES 2021[A/B-C] OBLIGATION

SAMARITAN HOUSING FOUNDATION, INC., d/b/a Searstone Retirement Community, as an obligated group member and the obligated group representative (the “Obligated Group Representative”), for value received, hereby promises to pay to the PUBLIC FINANCE AUTHORITY (the “Issuer”), or registered assigns, at the designated corporate trust office of UMB Bank, National Association, as Bond Trustee (the “Bond Trustee”), the principal sum set forth above and to pay interest on the unpaid principal balance hereof, in each case as provided in Section 5.2 of the Loan Agreement dated as of October 1, 2021 (the “Loan Agreement”) between the Issuer and the Obligated Group Representative, and on such other

dates as may be required by the Loan Agreement, until the principal amount hereof is paid or made available for payment. Principal of, premium, if any, and interest on this Series 2021[A/B-C] Obligation are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, and interest hereon shall be payable in immediately available funds by depositing the same with the Bond Trustee five (5) business days prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined, as provided in the Bond Indenture, as herein defined.

This Series 2021[A/B-C] Obligation is issued in the principal amount of \$[2021A Amount/2021B-C Amount], dated October [], 2021, and designated as the “Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community, Series 2021[A/B-C] Obligation” (this “Series 2021[A/B-C] Obligation”, and together with all other Obligations issued under the Master Indenture hereinafter defined, the “Obligations”), under and pursuant to Supplemental Indenture Number 5, dated as of October 1, 2021 (“Supplement Number 5”), between the Obligated Group Representative and UMB Bank, National Association, as master trustee (the “Master Trustee”), supplementing and amending the Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, and Supplemental Indenture Number 4, dated as of June 1, 2020, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”), and delivered pursuant to the Loan Agreement.

Pursuant to the terms of the Master Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Series 2021[A/B-C] Obligation and all other Obligations.

This Series 2021[A/B-C] Obligation is issued for the purpose of securing the payment of the principal of, premium, if any, and interest on the Public Finance Authority [Revenue Bonds (Searstone CCRC Project) Series 2021A, in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”)]/[Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1, in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2, in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021B-C Bonds”)]. The Series 2021[A/B-C] Bonds are being issued under the laws of the State of Wisconsin, including particularly the Joint Exercise of Powers Law Act, Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time (the “Act”), and an Indenture of Trust, dated as of October 1, 2021 (the “Bond Indenture”), between the Issuer and the Bond Trustee.

Concurrently with the issuance of this 2021[A/B-C] Obligation, the Obligated Group Representative is issuing an additional parity Obligation pursuant to the Master Indenture to be designated the “Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community, Series 2021[B-C/A] Obligation” (the “Other 2021 Obligation”). The Other 2021 Obligation is being issued for the purpose of securing the repayment obligations of the Corporation with respect to the Public Finance Authority [Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1, in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2, in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM

(Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and together with the Series 2021B-1 Bonds and the 2021B-2 Bonds, the “Other Bonds”)]/[Revenue Bonds (Searstone CCRC Project) Series 2021A, in the aggregate principal amount of \$[2021A Amount] (the “Other Bonds”)].

The Series 2021[A/B-C] Bonds and the Other Bonds (collectively, the “Series 2021 Bonds”) are being issued for the purpose of (a) financing capital expenditures, including but not limited to, costs relating to the expansion of the Corporation’s existing continuing care retirement community located at 17001 Searstone Drive, Cary, North Carolina 27513, in the Town of Cary, Wake County, North Carolina (the “Community”), specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current clubhouse to re-purpose common areas, all to be owned and operated by the Corporation ; (b) financing capital expenditures, including but not limited to, costs relating to modifying, improving, and enhancing certain infrastructure serving the Community; (c) refunding the Refunded 2020 Bonds (as defined in the Bond Indenture); (d) funding capitalized interest on the Series 2021 Bonds; (e) funding a portion of the Debt Service Reserve Fund created under the Master Indenture as additional security for [this/the] Series 2021A Obligation [(as defined in Supplement No. 5)]; (e) funding the 2021B-C Debt Service Reserve Fund created under the Bond Indenture; and (g) paying a portion of the costs of issuance of the Series 2021 Bonds.

This Series 2021[A/B-C] Obligation ranks equally with the Series 2016 Obligation and the Series 2017 Master Obligation, as defined in the Master Indenture.

Copies of the Master Indenture are on file at the corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the Holder of this Series 2021[A/B-C] Obligation, the terms and conditions on which, and the purposes for which, this Series 2021[A/B-C] Obligation is issued and the rights, duties and obligations of the Obligated Group Representative and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Series 2021[A/B-C] Obligation, assents.

Any amounts in the Bond Fund (as defined in the Loan Agreement) at the close of business of the Bond Trustee on the day immediately preceding any payment date on this Series 2021[A/B-C] Obligation in excess of the aggregate amount then required to be contained in such account of such Bond Fund shall be credited against the payments due by the Obligated Group Representative and the other Obligated Group Members on such next succeeding principal or interest payment date on this Series 2021[A/B-C] Obligation and the Other 2021 Obligation.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Indenture) and of the Holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding (as defined in the Master Indenture) under the Master Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the Holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of such Obligation. Any

such consent by the Holder of this Series 2021[A/B-C] Obligation shall be conclusive and binding upon such holder and all future Holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Series 2021[A/B-C] Obligation.

In the manner and with the effect provided in the Master Indenture, this Series 2021[A/B-C] Obligation and its principal installments will be subject to prepayment and redemption prior to maturity, in whole or in part, at the option of the Obligated Group Representative in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Series 2021[A/B-C Bonds], without penalty, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding (as defined in the Loan Agreement) Series 2021[A/B-C] Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to the Series 2021[A/B-C Bonds]. **[Note: Series 2021B-C Obligation Only:** The Series 2021B-C Obligation may also be prepaid in accordance with Section 2.01 of Supplement Number 5 and Section 5.10 of the Bond Indenture.]

[NOTE: Series 2021A Obligation Only: If the Obligated Group Representative (i) shall have elected to apply a Series 2021A Bond or Series 2021A Bonds that have been redeemed or otherwise acquired by the Obligated Group Representative or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture and (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2021A Bond or Series 2021A Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on this Series 2021A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Series 2021A Bond or Series 2021A Bonds have been applied, and the principal amount of this Series 2021A Obligation due on such date will be reduced accordingly.]

Any redemption, either in whole or in part, shall be made upon not more than 60 nor less than 30 days' notice **[Note: Series 2021B-C Obligation Only:** (and in the case of Entrance Fee Redemption of the Series 2021B-C Bonds, 10 days)] in the manner and upon the terms and conditions provided in the Master Indenture. If this Series 2021[A/B-C] Obligation shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Indenture, interest on this Series 2021[A/B-C] Obligation shall cease to accrue from the date fixed for redemption, and from and after such date this Series 2021[A/B-C] Obligation shall be deemed not to be Outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture, and the holder hereof shall have no rights in respect of this Series 2021[A/B-C] Obligation other than payment of the redemption price, together with accrued interest to the date fixed for redemption.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all Outstanding Obligations may be declared due and payable, and thereupon shall become due and payable as provided in the Master Indenture.

The Holder of this Series 2021[A/B-C] Obligation shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

This Series 2021[A/B-C] Obligation shall be registered on the register to be maintained by the Master Trustee and this Series 2021[A/B-C] Obligation shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Series 2021[A/B-C] Obligation a new registered Series 2021[A/B-C] Obligation without coupons, registered in the name of the transferee.

The Obligated Group Representative and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the Person in whose name this Series 2021[A/B-C] Obligation is registered as the absolute owner hereof for all purposes; and none of the Obligated Group Representative and the other Obligated Group Members, the Master Trustee, and any paying agent, shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Series 2021[A/B-C] Obligation.

No covenant or agreement contained in this Series 2021[A/B-C] Obligation or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Series 2021[A/B-C] Obligation shall be liable personally on this Series 2021[A/B-C] Obligation or be subject to any personal liability or accountability by reason of the issuance of this Series 2021[A/B-C] Obligation.

This Series 2021[A/B-C] Obligation shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Series 2021[A/B-C] Obligation shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligated Group Representative has caused this Series 2021[A/B-C] Obligation to be executed in its name and on its behalf by the manual or facsimile signature of its President.

SAMARITAN HOUSING FOUNDATION, INC.

By: _____
President

[Form of Endorsement by Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Indenture) hereby certifies that, pursuant to the provisions of the Master Indenture, the Obligated Group Representative and all other Obligated Group Members referred to and defined in the Master Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Series 2021[A/B-C] Obligation are identified on Schedule I attached hereto.

Any Person (as defined in the Master Indenture) who shall satisfy the conditions set forth in the Master Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Series 2021[A/B-C] Obligation shall thereupon and thereafter likewise be jointly and severally obligated on this Series 2021[A/B-C] Obligation, whether or not the name of such Person shall appear on or be added to Schedule I.

If any Person who is on the date of execution and delivery of this Series 2021[A/B-C] Obligation, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such Person shall thereupon and thereafter be released from any further liability or obligation on this Series 2021[A/B-C] Obligation and under the Master Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Indenture) and to all other Holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Indenture.

SAMARITAN HOUSING FOUNDATION, INC.
d/b/a Searstone Retirement Community, as Obligated
Group Representative

By: _____
President

[Form of Master Trustee's Certificate of Authentication]

This Series 2021[A/B-C] Obligation is one of the Obligations referred to in the aforementioned Master Indenture.

Date of Authentication: October [___], 2021

UMB BANK, NATIONAL ASSOCIATION, not in
its individual capacity, but solely as Master Trustee

By: _____
Authorized Signatory

[Form of Schedule I]

Members of the Obligated Group

Name:

Samaritan Housing Foundation, Inc.

Address for Notices:

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: President

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to:

Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

(Form of Assignment to Bond Trustee)

Pay to the order of UMB Bank, National Association, as Bond Trustee for the owners of the Series 2021[A/B-C] Bonds hereinabove mentioned, without warranty and without recourse against the undersigned.

PUBLIC FINANCE AUTHORITY

By: _____
Authorized Signatory

ARTICLE IV PREPAYMENT

Section 4.01 Prepayment of Series 2021 Obligations.

The Series 2021 Obligations created hereby and the applicable principal installments shall be subject to prepayment, in whole or in part, at the option of the Obligated Group Representative on behalf of the Obligated Group and in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Series 2021 Bonds, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding applicable Series 2021 Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to such Series 2021 Bonds. Any prepayment of the principal of the Series 2021 Obligations shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date, if applicable, for the Series 2021 Bonds redeemed with the proceeds of such prepayment. No prepayment of the Series 2021A Obligation shall occur until the Series 2021B-C Obligation has been paid in full.

Section 4.02 Additional Prepayment of Series 2021 Obligations.

Each of the Series 2021 Obligations created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Corporation pursuant to Sections 4.11 or 4.12 and 4.13 of the Master Indenture.

The Series 2021B-C Obligation may also be prepaid in accordance with Section 2.01 of this Supplement Number 5 and Section 5.10 of the Bond Indenture.

Section 4.03 Credit on Series 2021A Obligation.

If the Corporation (i) shall have elected to apply the Series 2021A Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture, (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2021A Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Corporation and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2021A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Series 2021A Bonds have been applied, and the principal amount of the Series 2021A Obligation created hereby due on such date will be reduced accordingly.

Section 4.04 Effect of Prepayment of Series 2021 Obligations.

If the Obligated Group Representative shall have complied with the notice requirements of the Loan Agreement, the respective Series 2021 Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such

date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the respective Series 2021 Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the respective Series 2021 Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 4.05 Partial Prepayment of Series 2021 Obligations.

In the event of a partial redemption of either one or both of the Series 2021 Obligations created hereby pursuant to Section 3.01 hereof, the amount of installments of such Series 2021 Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2021 Obligation shall have been paid in full.

[End of Article IV]

**ARTICLE V
AMENDMENTS TO THE MASTER INDENTURE**

Section 5.01 Amendments to Section 1.01 of the Master Indenture.

The following definition is hereby added to Section 1.01 of the Master Indenture in proper alphabetical order:

“**Supplement Number 5**” means Supplemental Indenture Number 5, dated as of October 1, 2021, between the Obligor and the Master Trustee.

The definitions of “Cash and Investments,” “Debt Service Reserve Fund,” “Debt Service Reserve Fund Requirement” and “Revenues” in Section 1.01 of the Master Indenture are hereby deleted and the following are substituted therefor:

“**Cash and Investments**” means the sum of cash, cash equivalents and marketable securities of the Obligated Group Members, including without limitation board-designated assets, and any amounts, if any, on deposit in the Interest Reserve Fund and any Operating Reserve Fund and Working Capital Fund, but excluding (a) trustee-held funds other than those described above in this definition, (b) donor-restricted funds and (c) any funds pledged or otherwise subject to a security interest for debt other than the Master Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the 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.

“**Debt Service Reserve Fund**” means Reserve Fund No. 1 and any other Debt Service Reserve Fund established and maintained pursuant to Section 3.06 and a Supplement.

“**Debt Service Reserve Fund Requirement**” means, with respect to each Debt Service Reserve Fund, (i) if such Debt Service Reserve Fund secures more than one Master Obligation that secures tax-exempt Related Bonds, the least of (A) one hundred percent (100%) of Maximum Annual Debt Service on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund, (B) one hundred twenty-five percent (125%) of average annual Debt Service Requirements on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund and (C) ten percent (10%) of the stated original principal amount of the Related Bonds secured or Indebtedness evidenced by the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund or, if the Related Bonds have original issue discount or premium that exceeds two percent (2%) of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriters’ compensation, ten percent (10%) of the initial offering prices to the public of the Related Bonds, or (ii) if such Debt Service Reserve Fund secures only one Master Obligation that secures tax-exempt Related Bonds or secures one or more Master Obligations that evidence and secure only taxable Indebtedness or Related Bonds, the amount specified in Section 3.06 or any Supplement directing that such Debt Service Reserve Fund be established or maintained; provided, however, the Debt Service Reserve Fund Requirement with respect to Reserve Fund No. 1 shall be computed based on the Master Obligations secured by such Debt Service Reserve Fund and the Series 2016 Obligation less the amount required to be on deposit in the debt service reserve fund that secures the Series 2016 Bonds.

“**Revenues**” means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service

revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Entrance Fees (other than Initial Entrance Fees) 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 GAAP; but excluding in either case (1) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments, (2) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (3) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (4) any revenues recognized from deferred revenues related to Entrance Fees, (5) insurance (other than business interruption) and condemnation proceeds, and (6) proceeds of any borrowing; 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 under this Master Trust Indenture, any withdrawal from the Working Capital Fund created under Supplement Number 5 shall be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

Section 5.02 Amendment to Section 3.05(a) of the Master Indenture.

Section 3.05(a) of the Master Indenture is hereby deleted and the following is substituted therefor:

(a) Series 2012 Subordinated Obligations will be paid in accordance with Section 9.01 of Supplement Number 1; provided, however, that notwithstanding the provisions of Section 9.01 of Supplement Number 1, Series 2012 Subordinated Obligations may be paid in accordance with Supplement Number 5. Any other Subordinated Indebtedness will be paid in accordance with paragraphs (b) through (d) of this Section 3.05.

Section 5.03 Amendment to Section 3.06 of the Master Indenture.

Section 3.06 of the Master Indenture is hereby deleted and the following is substituted therefor:

Section 3.06 Debt Service Reserve Fund.

(a) Pursuant to this Section 3.06 and any Supplement directing that a Debt Service Reserve Fund be established or maintained as security for a Master Obligation issued thereunder, the Master Trustee shall establish and maintain one or more Debt Service Reserve Funds as security for one or more Master Obligations issued hereunder.

(b) Each Debt Service Reserve Fund may serve as security for only one Master Obligation issued hereunder or may serve as security for more than one Master Obligation issued hereunder, in which case all Master Obligations secured by such Debt Service Reserve Fund shall be secured equally and ratably by the amounts on deposit in such Debt Service Reserve Fund (i.e., such Debt Service Reserve Fund shall not serve as security for Subordinated Indebtedness); provided, however, that no Debt Service Reserve Fund shall serve as security for one or more Master Obligations that secure tax-exempt Related Bonds and one or more Obligations that evidence or secure taxable Indebtedness or Related Bonds.

(c) Upon establishment of a Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, money in an amount equal to the Debt Service Reserve Fund Requirement to the Master Trustee for deposit into such Debt Service Reserve Fund. After the establishment of a Debt Service Reserve Fund, if a Supplement provides that a Master Obligation issued thereunder shall be secured by such Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, to the Master Trustee for deposit into such Debt Service Reserve Fund money in an amount equal to the difference between the Debt Service Reserve Fund Requirement (after giving effect to the issuance of such Master Obligation) and the amount then on deposit in such Debt Service Reserve Fund.

(d) If a Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall establish an account within such Debt Service Reserve Fund for each source of money deposited in such fund, such as proceeds of Related Bonds secured by, or Indebtedness evidenced by, a Master Obligation or other money of Obligated Group Members, and deposit the money obtained from each such source in the appropriate account. Such accounts shall be established solely for the convenience of the Obligated Group Members in maintaining an accounting of the uses and applications of such funds under the provisions of applicable federal and state law, and shall equally and ratably secure all Master Obligations for which such Debt Service Reserve Fund has been established.

(e) If the Holder of a Master Obligation secured by a Debt Service Reserve Fund delivers a written notice to the Master Trustee to the effect that the amount of principal or interest paid by the Obligated Group or the amount otherwise available to the Holder of such Master Obligation is less than the amount of principal or interest then due on such Master Obligation and specifying the amount of such deficiency of principal, interest or both, the Master Trustee, without further direction, shall immediately withdraw moneys from such Debt Service Reserve Fund in the amount of such deficiency and transfer such moneys to such Holder. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall withdraw the amount of such deficiency from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account. Amounts on deposit in any Debt Service Reserve Fund shall not be applied to pay principal of or interest on any Master Obligation other than the Master Obligation or Master Obligations secured thereby. The Master Trustee shall promptly provide written notice to the Obligated Group Members of any such withdrawal from any Debt Service Reserve Fund.

(f) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day of the month following a month in which money is withdrawn from a Debt Service Reserve Fund, each Obligated Group Member covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund, one-sixth (1/6th) of the amount or amounts so withdrawn until the amount then on deposit in such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement. If an additional withdrawal is made from such Debt Service Reserve Fund prior to the restoration of the initial withdrawal, such additional withdrawal shall be restored by the Obligated Group Members in equal monthly installments over the remainder of the restoration period for the initial withdrawal. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall deposit each amount paid to restore such Debt Service Reserve Fund into each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts withdrawn from each such account.

(g) If on any date of valuation pursuant to subsection (l) below the money held in a Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, including any

excess created in whole or in part by the interest earnings on such Debt Service Reserve Fund, an amount equal to such excess shall be transferred by the Master Trustee to the Holder of the Master Obligation secured by such Debt Service Reserve Fund or, if more than one Master Obligation is secured by such Debt Service Reserve Fund, such excess shall be withdrawn from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account and the amount withdrawn from each account shall be paid to the Holder of the Master Obligation that secures the Related Bonds or Indebtedness that were the source of the moneys deposited in such account or to the Members of the Obligated Group if they were the source of the moneys deposited in such account; provided, however, that any excess created by a refunding (or other payment or defeasance) of a portion of any tax-exempt Related Bonds may be applied in any manner directed by the Obligated Group Representative which, in an Opinion of Bond Counsel, will not cause the interest on such tax-exempt Related Bonds to be includable in the gross income of the owners thereof under the Code. Any such excess transferred to a Holder shall be credited against future amounts payable to such Holder by the Obligated Group Members, unless transferred to cure deficiencies therein.

(h) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, money held for the credit of a Debt Service Reserve Fund shall be continuously invested and reinvested by the Master Trustee in Permitted Investments to the extent practicable in accordance with the instructions of an Obligated Group Representative or, if no such instruction is given, in the Fidelity Treasury #696 Money Market Fund or a comparable money market fund. If accounts have been established within a Debt Service Reserve Fund, the Master Trustee may invest the money within each account separately or may use money from each account to purchase a proportionate share of an investment based on the balance then on deposit in each such account. Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, Permitted Investments deposited in a Debt Service Reserve Fund shall mature not later than two (2) years from the date on which such Permitted Investments were deposited therein. Notwithstanding the foregoing, no Permitted Investments in a Debt Service Reserve Fund may mature beyond the latest maturity date of any Related Bonds Outstanding that are secured by a Master Obligation that is secured by such Debt Service Reserve Fund at the time such Permitted Investments are deposited unless irrevocable instructions shall have been given to redeem such Permitted Investments on a date or dates not later than the latest maturity date of any such Related Bonds Outstanding. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

(i) An Obligated Group Representative shall give to the Master Trustee written directions or telephonic instructions that are confirmed immediately in writing respecting the investment of any money required to be invested under this Section 3.06 and the Master Trustee shall then invest such money under this Section as so directed by such Obligated Group Representative.

(j) Permitted Investments credited to any Debt Service Reserve Fund shall be held by or under the control of the Master Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account. The Master Trustee shall sell at the market price available or reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from

any such fund or account. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(k) For the purpose of determining the amount on deposit in any Debt Service Reserve Fund or account therein, Permitted Investments in which money in such fund or account is invested shall be valued (a) at face value if such Permitted Investments mature within six months from the date of valuation thereof, and (b) if such Permitted Investments mature more than six months after the date of valuation thereof at the price at which such Permitted Investments are redeemable by the holder at such holder's option if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Permitted investments minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Permitted Investments.

(l) The Master Trustee shall value the Permitted Investments in each Debt Service Reserve Fund and accounts therein established under this Section 3.06 and held by the Master Trustee three (3) business days prior to each June 30 and December 31 and at such times as shall be required in order for the Obligated Group Members to comply with federal income tax law applicable to any Related Bonds. In addition, the Permitted Investments shall be valued by the Master Trustee at any time requested by the Obligated Group Representative on reasonable notice to the Master Trustee (which period of notice may be waived or reduced by the Master Trustee); provided, however, that the Master Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein.

(m) If upon valuation of a Debt Service Reserve Fund, the balance in such fund, including accrued interest to the date of valuation, is less than the Debt Service Reserve Fund Requirement, the Master Trustee shall compute the amount by which the Debt Service Reserve Fund Requirement exceeds such balance and shall immediately give the Members of the Obligated Group notice of such deficiency and the amount necessary to cure the same.

(n) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day preceding the end of each month (and on the fifth Business Day of each month thereafter) following the month in which a valuation made in accordance with this Section 3.06 in which the amount on deposit in such Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement due to a loss resulting from a decline in the value of Permitted Investments held for the credit of such Debt Service Reserve Fund, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund within thirty (30) days the amount by which the Debt Service Reserve Fund Requirement exceeds such balance until the amount on deposit to the credit of such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement.

(o) The Obligated Group Members covenant and agree that money on deposit in any Debt Service Reserve Fund, whether or not such money was derived from the proceeds of the sale of any tax-exempt Related Bonds or from any other sources, and whether or not any tax-exempt Related Bonds are Outstanding, (i) will not be used in a manner that would cause any tax-exempt Related Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and (ii) will be used in a manner that will cause any tax-exempt Related Bonds not to be "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that the Master Trustee shall have no obligation to pay any amounts necessary to comply with this covenant other than from money received by the Master Trustee from the Obligated Group Members. The Master Trustee shall be fully protected in relying upon any written investment instruction given by an Obligated Group Representative and shall not be liable for any losses or prepayment penalties as a result of

complying with any such instruction and shall not be required to ascertain any facts in compliance with such instruction. In the event the Obligated Group Representative is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Master Trustee pursuant to this Section 3.06, or to use such money in certain manners, in order to avoid any tax-exempt Related Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code as such may be applicable to such tax-exempt Related Bonds at such time, the Obligated Group Representative may issue to the Master Trustee a written certificate to such effect and appropriate instructions, in which event the Master Trustee shall take such action as is set forth in such certificate and instructions, irrespective of whether the Master Trustee shares such opinion.

(p) The Master Trustee shall have a lien on all funds and accounts under this Master Trust Indenture to secure payment of its fees and expenses.

(q) Notwithstanding the foregoing, upon an Event of Default, the Master Trustee shall apply moneys held in a Debt Service Reserve Fund as directed in writing by the beneficial owners of a majority in principal amount of the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund.

(r) Pursuant to the 2017 Master Indenture, a Debt Service Reserve Fund was established, which shall be referred to as "Reserve Fund No. 1," as security for the Series 2017 Master Obligation and any Additional Master Obligations evidencing Indebtedness other than Subordinated Indebtedness if required by the related Supplement. Pursuant to Supplement Number 5, Reserve Fund No. 1 also shall secure the Series 2021A Master Obligation (as defined in Supplement Number 5) upon its issuance.

Section 5.04 Amendments to Section 4.15(a) of the Master Indenture.

Section 4.15(a) of the Master Indenture is hereby deleted and the following is substituted therefor:

(a) While any Series 2016 Bonds or Series 2017 Bonds remain outstanding, the Obligated Group shall not incur any Additional Indebtedness without the prior written consent of (1) the Majority Holders and (2) the holders of a majority of the outstanding principal amount of the Series 2016 Bonds and the Series 2017 Bonds.

Section 5.05 Amendments to Sections 4.15(b)(ii) and (iii) of the Master Indenture.

Sections 4.15(b)(ii) and (iii) of the Master Indenture are hereby deleted and the following are substituted therefor:

(ii) *Historical Test and Forecast.* In lieu of the requirements of paragraph (i) above,

(A) An Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25, and

(B) A Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.25 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier

of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service; provided, however, with respect to the incurrence of the Series 2021 Obligations (as defined in Supplement Number 5), a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Obligations) is expected to be not less than 1.25 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

(iii) *Pro Forma Test.* In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.35 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earliest of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant as of the first Testing Date in the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed in service; provided, however, with respect to the incurrence of the Series 2021 Obligations (as defined in Supplement Number 5), a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Series 2021 Obligations) is expected to be not less than 1.35 for the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

Section 5.06 Amendment to Section 4.16(d) of the Master Indenture.

Section 4.16(d) of the Master Indenture is hereby deleted and the following is substituted therefor:

(d) Notwithstanding any other provisions of this Master Trust Indenture, in any case where Long-Term Indebtedness has been incurred to acquire or construct Capital Additions, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year commencing after substantially all of such Capital Additions are placed in service (except that with respect to Capital Additions consisting, in whole or in part, of Independent Living Units or health care beds, the Debt Service Requirements with respect thereto shall not be taken into account until the earlier to occur of (i) the first full Fiscal Year next succeeding the Fiscal Year in which the occupancy of the additional units achieve average occupancy of 85% or (ii) the first full Fiscal Year following the Fiscal Year in which occurs that date which is 18 months following the date upon which substantially all of such additional units are placed in service; in either case, the Obligated Group agrees that it will notify the Master Trustee of such event within ten (10) days following its occurrence); provided, however, with respect to the Series 2021 Obligations (as defined in Supplement Number 5), the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

Section 5.07 Amendment to Section 4.17 of the Master Indenture.

The following subsection (h) is hereby added at the end of Section 4.17 of the Master Indenture:

(h) For the purpose of determining the Debt Service Requirements on any Long-Term Indebtedness incurred to finance a Capital Addition, the admission to which is subject to Residency Agreements, there shall be applied as a credit against the principal amount of such Long-Term Indebtedness the amount of Entrance Fees or other moneys which are forecasted to be used (other than from the proceeds of Long-Term Indebtedness) to pay the principal of such Long-Term Indebtedness during the forecast period covered by a Feasibility Report, provided that no such forecast period shall extend more than five full Fiscal Years beyond the date of completion of the Capital Additions being financed with such Long-Term Indebtedness or, in the case of Long-Term Indebtedness issued or incurred for refinancing purposes, five full Fiscal Years beyond the date of issuance thereof.

Section 5.08 Amendment and Restatement of the Master Indenture.

The Master Indenture is hereby amended and restated in its entirety pursuant to the terms of the Third Amended and Restated Master Trust Indenture attached hereto as Exhibit A, effective on the earliest date that (1) the Series 2016 Bonds and the Series 2017 Bonds have ceased to be Outstanding (as defined in the Series 2016 Bond Indenture and the Series 2017 Bond Indenture, respectively), and (2) the Obligated Group Representative and the Master Trustee have received the Consent of the Majority Holders to such Third Amended and Restated Master Trust Indenture. Each Obligated Group Member and the Master Trustee shall enter into the Third Amended and Restated Master Trust Indenture on or promptly after the effective date.

[End of Article V]

ARTICLE VI CERTAIN COVENANTS

Section 6.01 Indemnity.

(a) To the fullest extent permitted by law, the Obligated Group Representative agrees to indemnify, hold harmless and defend the Master Trustee and its officers, governing members, directors, officials, employees, attorneys and agents (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to this Supplement Number 5 or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby.

(b) In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Obligated Group Representative, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Obligated Group Representative shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Obligated Group Representative if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The provisions of this section shall survive the termination of this Supplement Number 5.

Section 6.02 Rating Application.

The Obligated Group Representative covenants that it will seek a rating of the Series 2021 Bonds in accordance with Section 7.17 of the Loan Agreement.

Section 6.03 Future Affiliation.

If the Obligated Group receives a written offer to enter into an Affiliation, defined as any arrangement with an unrelated Person or group of Persons that would result in the Obligated Group being directly or indirectly controlled by or under direct or indirect common control with such Person or group of Persons, and the boards of directors of the respective Members of the Obligated Group wish to proceed with such an offer, the Obligated Group Representative shall employ a Consultant to issue a report regarding the financial consequence of such an Affiliation. If the Consultant’s report indicates that there would be material financial benefits or other benefits to the Obligated Group or residents of the Facilities resulting from the proposed Affiliation, if the boards of directors of the respective Members of the Obligated Group approve the Affiliation, the Obligated Group Representative shall cause the matter to be submitted to the holders of the Series 2021 Bonds and any Related Bonds and the approval of a majority of the holders of the Series 2021 Bonds and any Related Bonds shall be obtained prior to entering into the Affiliation. If there is an Event of Default in existence and continuing, the approval of the boards of directors of the members of the Obligated Group shall not be required. Prior to any Affiliation, the Corporation shall obtain all approvals required from all governmental agencies having jurisdiction over the Facilities.

Section 6.04 Marketing Covenant.

While the Series 2021 Bonds remain Outstanding, beginning with the fiscal quarter ending December 31, 2021, and ending with the fiscal quarter during which Stable Occupancy occurs (the Marketing Covenant is not required to be calculated following Stable Occupancy), the Obligated Group will use its best efforts to maintain the percentage of Independent Living Units that are part of the Phase II Expansion Project that are Reserved (the “Percentage of Reserved Independent Living Units”) 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 shall be as follows:

Quarter Ending	Percentage of Reserved Independent Living Units	
	# Units	Percent
December 31, 2021	100	65.8%
March 31, 2022	101	66.4%
June 30, 2022	104	68.4%
September 30, 2022	105	69.1%
December 31, 2022	107	70.4%
March 31, 2023	108	71.1%
June 30, 2023	111	73.0%
September 30, 2023	114	75.0%
December 31, 2023	116	76.3%
March 31, 2024	118	77.6%
June 30, 2024	119	78.3%
September 30, 2024	121	79.6%
December 31, 2024	124	81.6%
March 31, 2025	127	83.6%
June 30, 2025	130	85.5%
September 30, 2025	131	86.2%
December 31, 2025	133	87.5%
March 31, 2026 and thereafter	134	88.2%

If the Percentage of Reserved Independent Living Units for any fiscal quarter is less than the applicable Marketing Requirement set forth above for that fiscal quarter, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report prepared by or on behalf of the Obligated Group (a “Management Marketing Report”) that includes the following information: (a) the Percentage of Reserved Independent Living Units, including the number of reservations and cancellations of Phase II Expansion Project Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Obligate Group, of the number of reservations of Phase II Expansion Project Independent Living Units expected in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Marketing Report is being prepared; and (c) a description of the sales and marketing plan of the Obligated Group.

If the Percentage of Reserved Independent Living Units is less than the applicable Marketing Requirement set forth above for two successive fiscal quarters, the Obligated Group Representative, at the Obligated Group’s expense, will retain a Consultant in accordance with the provisions of Section 4.24 of the Master Indenture following the calculation described herein to make recommendations in accordance with Section 4.24 of the Master Indenture. The Obligated Group will follow the recommendation of the

Consultant in accordance with Section 4.24 of the Master Indenture. The Obligated Group will not be required to obtain a Consultant's report in any two consecutive fiscal quarters (i.e., if the Obligated Group is required to obtain a Consultant's Report because of the failure to achieve the Marketing Requirement for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant's Report because of a failure to achieve the Marketing Requirement for the next succeeding fiscal quarter).

Failure of the Obligated Group to achieve the Marketing Requirements for any fiscal quarter will not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures set forth above for preparing a Management Marketing Report and set forth in Section 4.24 of the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with Section 4.24 of the Master Indenture.

Section 6.05 Occupancy Covenant.

While the Series 2021 Bonds remain Outstanding, the Obligated Group covenants that for each fiscal quarter (a) commencing with the first fiscal quarter which ends not less than 60 days following the issuance of the first certificate of occupancy for the first building containing Independent Living Units that are part of the Phase II Expansion Project, and (b) ending with the fiscal quarter during which Stable Occupancy occurs (the Occupancy Covenant is not required to be calculated following Stable Occupancy) (each an "Occupancy Quarter"), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units that are part of the Phase II Expansion Project (the "Percentage of Units Occupied") 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	16	10.5%
2	38	25.0%
3	61	40.1%
4	76	50.0%
5	92	60.5%
6	107	70.4%
7	114	75.0%
8	119	78.3%
9	122	80.3%
10	125	82.2%
11	130	85.5%
12	131	86.2%
13	133	87.5%
14 and thereafter	134	88.2%

If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, (a) an occupancy report (a "Management Occupancy Report") that includes the following information: (i) the Percentage of Units Occupied and (ii) the number of reservations and cancellations of Phase II Expansion Project Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Obligated Group, of the number of Phase II Expansion Project Independent Living Units expected to be Occupied in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Occupancy Report is being prepared; and (c) a description of the sales and marketing plan of the Obligated Group.

If the Percentage of Units Occupied is less than the Occupancy Requirement set forth above for two consecutive Occupancy Quarters, the Obligated Group Representative, at the Obligated Group's expense, will retain a Consultant in accordance with the provisions of Section 4.24 of the Master Indenture following the calculation described herein to make recommendations in accordance with Section 4.24 of the Master Indenture. The Obligated Group will follow the recommendation of the Consultant in accordance with Section 4.24 of the Master Indenture. The Obligated Group will not be required to obtain a Consultant's report in any two consecutive fiscal quarters (i.e., if the Obligated Group is required to obtain a Consultant's Report because of the failure to achieve the Occupancy Requirement for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant's Report because of a failure to achieve the Occupancy Requirement for the next succeeding fiscal quarter).

Failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under this Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report and set forth in Section 4.24 of the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with Section 4.24 of the Master Indenture.

Section 6.06 Cumulative Cash Operating Loss Covenant.

While the Series 2021 Bonds remain Outstanding, the Obligated Group covenants that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Phase II Expansion Project (the "Initial Occupancy Date") if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter during which Stable Occupancy occurs (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Operating Loss not greater than the amount set forth below:

Fiscal Quarter	Cumulative Cash Operating Loss
1	(\$3,500,000)
2	(4,100,000)
3	(6,900,000)
4	(8,900,000)
5	(10,700,000)
6	(11,400,000)
7	(11,800,000)
8	(12,000,000)
9	(12,000,000)
10 and thereafter	(12,800,000)

If, as of the end of any testing quarter, the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above, the Obligated Group Representative is required to submit to the Master Trustee, within 30 days of the end of such testing quarter, a report that includes the following information: (a) a forecast, prepared by management of the Obligated Group, of the Cumulative Cash Operating Loss for the three fiscal quarters immediately succeeding the end of such testing quarter; and (b) a description of the plan of the Obligated Group to comply with the Cumulative Cash Operating Loss Covenant in future testing quarters.

If the Cumulative Cash Operating Loss of the Obligated Group is greater than the amounts required above for two consecutive testing quarters, the Obligated Group Representative, at the Obligated Group's expense, will retain a Consultant in accordance with the provisions of Section 4.24 of the Master Indenture following the calculation described herein to make recommendations in accordance with Section 4.24 of the Master Indenture. The Obligated Group will follow the recommendation of the Consultant in accordance with Section 4.24 of the Master Indenture. The Obligated Group shall not be required to obtain a Consultant's report in any two consecutive fiscal quarters (i.e., if the Obligated Group is required to obtain a Consultant's Report because the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above for any particular fiscal quarter, the Obligated Group will not be required to obtain another Consultant's Report because the Cumulative Cash Operating Loss of the Obligated Group is greater than the amount required above for the next succeeding fiscal quarter).

Notwithstanding any other provision of the Master Indenture, if the Obligated Group incurs a Cumulative Cash Operating Loss level greater than permitted, it will not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures set forth above for preparing a management report and set forth in Section 4.24 of the Master Indenture for retaining a Consultant and (ii) follows the recommendation of the Consultant in accordance with Section 4.24 of the Master Indenture. If the Cumulative Cash Operating Loss exceeds the permitted levels by more than 35% for four consecutive fiscal quarters, such noncompliance may become an Event of Default at the written direction of Majority Holders.

[End of Article VI]

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.01 Successors and Assigns.

This Supplement Number 5 shall be binding upon, inure to the benefit of, and be enforceable by the Obligated Group Representative, the Master Trustee and any Holder of Series 2021 Obligations, including any Related Bond Trustee, and their respective successors and assigns.

Section 7.02 Counterparts.

This Supplement Number 5 may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 7.03 Governing Law.

This Supplement Number 5 shall be governed by, and construed in accordance with, the laws of the State of North Carolina without regard to principles of conflicts of law.

Section 7.04 Effect.

Upon the execution and delivery of this Supplement Number 5, the Master Indenture shall be and be deemed to be amended as of October 1, 2021 and as set forth in this Supplement Number 5. Except as amended by this Supplement Number 5, all of the provisions of the Master Indenture shall remain in full force and effect.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture Number 5 to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community, as Obligated
Group Representative, on behalf of the Obligated
Group

By: _____
President

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Signatory

[Signature Page of Supplemental Indenture Number 5]

[Signature Page of Supplemental Indenture Number 5]

Exhibit A

Third Amended and Restated Master Trust Indenture

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SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community
as an Obligated Group Member and as the Obligated Group Representative

and

UMB BANK, NATIONAL ASSOCIATION
as Master Trustee

SUPPLEMENTAL INDENTURE NUMBER 6

Dated as of March 1, 2022

Relating to

**\$(Amount)
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2022A
(Forward Delivery)**

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SUPPLEMENTAL INDENTURE NUMBER 6

THIS SUPPLEMENTAL INDENTURE NUMBER 6, dated as of March 1, 2022 (this “Supplement Number 6”), between **SAMARITAN HOUSING FOUNDATION, INC.** d/b/a Searstone Retirement Community (the “Corporation”), as an Obligated Group Member and as the Obligated Group Representative (the “Obligated Group Representative”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligated Group Representative and the Master Trustee are parties to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, Supplemental Indenture Number 4, dated as of June 1, 2020, and Supplemental Indenture Number 5, dated as of October 1, 2021, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Bond Indenture”), between the Public Finance Authority (the “Issuer”) and UMB Bank, National Association, as trustee (the “Bond Trustee”), the Issuer has contemporaneously herewith issued its Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery), in the aggregate principal amount of \$[Amount] (the “Bonds”), for the purpose of (i) refunding the Refunded Bonds (as defined in the Bond Indenture) and (ii) paying a portion of the costs of issuance of the Bonds; and

WHEREAS, pursuant to the Loan Agreement dated as of March 1, 2022 (the “Loan Agreement”), between the Corporation and the Issuer, the Obligated Group Representative has agreed to issue the Series 2022A Obligation (as defined herein) created by this Supplement Number 6 to evidence the obligation of the Obligated Group Representative to make the payments required under the Loan Agreement; and

WHEREAS, the Obligated Group Representative is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver such Series 2022A Obligation pursuant to the Master Trust Indenture; and

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of such Series 2022A Obligation; and

WHEREAS, all acts and things necessary to make the Series 2022A Obligation authorized by this Supplement Number 6, when executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture and this Supplement Number 6, the valid, binding and legal obligation of the Obligated Group Representative, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplement Number 6 and the issue hereunder and under the Master Trust Indenture of the Series 2022A Obligation created by this Supplement Number 6 have in all respects been duly authorized, and the Obligated Group Representative, in the exercise of the legal right and power vested in it, executes this Supplement Number 6 and proposes to make, execute, issue and deliver the Series 2022A Obligation created hereby;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Series 2022A Obligation authorized hereby is authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Series 2022A Obligation created hereby by the Holder thereof, the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

ARTICLE I DEFINITIONS OF TERMS

Section 1.01 Definitions.

Capitalized terms used in this Supplement Number 6 that are not defined herein shall have the meanings assigned to them in the Master Indenture.

“Outstanding” with respect to the Bonds, has the meaning set forth in Section 1.1 of the Loan Agreement.

“2016 Debt Service Reserve Fund” means the Debt Service Reserve Fund created pursuant to Section 3.08 of the Amended and Restated Indenture of Trust, dated July 31, 2019, between the Issuer and UMB Bank, National Association, as bond trustee.

“Series 2022A Obligation” has the meaning set forth in Section 2.01.

[End of Article I]

**ARTICLE II
SERIES 2022A OBLIGATION**

Section 2.01 Series 2022A Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled Samaritan Housing Foundation, Inc. Series 2022A Obligation (the “Series 2022A Obligation”). The Series 2022A Obligation, in the principal amount of \$[Amount], may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 2.02 Series 2022A Obligation Secured by Reserve Fund No. 1.

The Debt Service Reserve Fund created pursuant to Section 3.06 of the Master Indenture and referred to as Reserve Fund No. 1 shall secure the Series 2022A Obligation on an equal and ratable basis with the Series 2017 Master Obligation, the Series 2021A Obligation and any Additional Master Obligations evidencing Indebtedness other than Subordinate Indebtedness if required by the related Supplement. Simultaneously with the issuance of the Series 2022A Obligation, the Corporation shall transfer, or cause to be transferred, to the Master Trustee for deposit into Reserve Fund No. 1, \$_____ of the sale proceeds of the Bonds or moneys on deposit in the 2016 Debt Service Reserve Fund, which is the difference between the Debt Service Reserve Fund Requirement, \$_____, and the amount required to be deposit in Reserve Fund No. 1 (excluding investment earnings), \$_____. The Master Trustee shall establish an account within Reserve Fund No. 1 to be known as the “Series 2022A Account” and shall deposit the proceeds of the Bonds or moneys from the 2016 Debt Service Reserve Fund it receives in such account.

Section 2.03 Form of Series 2022A Obligation.

The Series 2022A Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated March 3, 2022, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2022A Obligation, and shall be substantially in the following form:

**THIS OBLIGATION HAS NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933
OR ANY STATE SECURITIES LAW**

\$[AMOUNT]

**SAMARITAN HOUSING FOUNDATION, INC.
SERIES 2022A OBLIGATION**

SAMARITAN HOUSING FOUNDATION, INC., d/b/a Searstone Retirement Community, as an obligated group member and the obligated group representative (the “Obligated Group Representative”), for value received, hereby promises to pay to the PUBLIC FINANCE AUTHORITY (the “Issuer”), or registered assigns, at the designated corporate trust office of UMB Bank, National Association, as Bond Trustee (the “Bond Trustee”), the principal sum set forth above and to pay interest on the unpaid principal balance hereof, in each case as provided in Section 5.2 of the Loan Agreement dated as of March 1, 2022 (the “Loan Agreement”) between the Issuer and the Obligated Group Representative, and on such other dates as may be required by the Loan Agreement, until the principal amount hereof is paid or made available for payment. Principal of, premium, if any, and interest on this Series 2022A Obligation are payable in any

coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, and interest hereon shall be payable in immediately available funds by depositing the same with the Bond Trustee five (5) business days prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined, as provided in the Bond Indenture, as herein defined.

This Series 2022A Obligation is issued in the principal amount of \$[Amount], dated March 3, 2022 and designated as the “Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community, Series 2022A Obligation” (this “Series 2022A Obligation”, and together with all other Obligations issued under the Master Indenture hereinafter defined, the “Obligations”), under and pursuant to Supplemental Indenture Number 6, dated as of March 1, 2022 (“Supplement Number 6”), between the Obligated Group Representative and UMB Bank, National Association, as master trustee (the “Master Trustee”), supplementing and amending the Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, Supplemental Indenture Number 4, dated as of June 1, 2020, and Supplemental Indenture Number 5, dated as of October 1, 2021, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”), and delivered pursuant to the Loan Agreement.

Pursuant to the terms of the Master Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Series 2022A Obligation and all other Obligations.

This Series 2022A Obligation is issued for the purpose of securing the payment of the principal of, premium, if any, and interest on the Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery), in the aggregate principal amount of \$[Amount] (the “Bonds”). The Bonds are being issued under the laws of the State of Wisconsin, including particularly the Joint Exercise of Powers Law Act, Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time (the “Act”), and an Indenture of Trust, dated as of March 1, 2022 (the “Bond Indenture”), between the Issuer and the Bond Trustee, for the purpose of (a) refunding the Refunded Bonds (as defined in the Bond Indenture) and (b) paying a portion of the costs of issuance of the Bonds.

This Series 2022A Obligation ranks equally with the Series 2017 Master Obligation and the Series 2021 Obligations, as defined in the Master Indenture.

Copies of the Master Indenture are on file at the corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the Holder of this Series 2022A Obligation, the terms and conditions on which, and the purposes for which, this Series 2022A Obligation is issued and the rights, duties and obligations of the Obligated Group Representative and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Series 2022A Obligation, assents.

Any amounts in the Bond Fund (as defined in the Loan Agreement) at the close of business of the Bond Trustee on the day immediately preceding any payment date on this Series 2022A Obligation in excess of the aggregate amount then required to be contained in such account of such Bond Fund shall be credited against the payments due by the Obligated Group Representative and the other Obligated Group Members on such next succeeding principal or interest payment date on this Series 2022A Obligation.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Indenture) and of the Holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding (as defined in the Master Indenture) under the Master Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the Holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of such Obligation. Any such consent by the Holder of this Series 2022A Obligation shall be conclusive and binding upon such holder and all future Holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Series 2022A Obligation.

In the manner and with the effect provided in the Master Indenture, this Series 2022A Obligation and its principal installments will be subject to prepayment and redemption prior to maturity, in whole or in part, at the option of the Obligated Group Representative in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Bonds, without penalty, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding (as defined in the Loan Agreement) Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to the Bonds.

If the Obligated Group Representative (i) shall have elected to apply a Bond or Bonds that have been redeemed or otherwise acquired by the Obligated Group Representative or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture and (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bond or Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on this Series 2022A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bond or Bonds have been applied, and the principal amount of this Series 2022A Obligation due on such date will be reduced accordingly.

Any redemption, either in whole or in part, shall be made upon not more than 60 nor less than 30 days' notice in the manner and upon the terms and conditions provided in the Master Indenture. If this Series 2022A Obligation shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Indenture, interest on this Series 2022A Obligation shall cease to accrue from the date fixed for redemption, and from and after such date this Series 2022A Obligation shall be deemed not to be Outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture, and the holder hereof shall have no rights in respect of this Series 2022A Obligation other than payment of the redemption price, together with accrued interest to the date fixed for redemption.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all Outstanding Obligations may be declared due and payable, and thereupon shall become due and payable as provided in the Master Indenture.

The Holder of this Series 2022A Obligation shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

This Series 2022A Obligation shall be registered on the register to be maintained by the Master Trustee and this Series 2022A Obligation shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Series 2022A Obligation a new registered Series 2022A Obligation without coupons, registered in the name of the transferee.

The Obligated Group Representative and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the Person in whose name this Series 2022A Obligation is registered as the absolute owner hereof for all purposes; and none of the Obligated Group Representative and the other Obligated Group Members, the Master Trustee, and any paying agent, shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Series 2022A Obligation.

No covenant or agreement contained in this Series 2022A Obligation or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Series 2022A Obligation shall be liable personally on this Series 2022A Obligation or be subject to any personal liability or accountability by reason of the issuance of this Series 2022A Obligation.

This Series 2022A Obligation shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Series 2022A Obligation shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligated Group Representative has caused this Series 2022A Obligation to be executed in its name and on its behalf by the manual or facsimile signature of its President.

SAMARITAN HOUSING FOUNDATION, INC.

By: _____
President

[Form of Endorsement by Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Indenture) hereby certifies that, pursuant to the provisions of the Master Indenture, the Obligated Group Representative and all other Obligated Group Members referred to and defined in the Master Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Series 2022A Obligation are identified on Schedule I attached hereto.

Any Person (as defined in the Master Indenture) who shall satisfy the conditions set forth in the Master Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Series 2022A Obligation shall thereupon and thereafter likewise be jointly and severally obligated on this Series 2022A Obligation, whether or not the name of such Person shall appear on or be added to Schedule I.

If any Person who is on the date of execution and delivery of this Series 2022A Obligation, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such Person shall thereupon and thereafter be released from any further liability or obligation on this Series 2022A Obligation and under the Master Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Indenture) and to all other Holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Indenture.

SAMARITAN HOUSING FOUNDATION, INC.
d/b/a Searstone Retirement Community, as Obligated
Group Representative

By: _____
President

[Form of Master Trustee's Certificate of Authentication]

This Series 2022A Obligation is one of the Obligations referred to in the aforementioned Master Indenture.

Date of Authentication: March 3, 2022

UMB BANK, NATIONAL ASSOCIATION, not in
its individual capacity, but solely as Master Trustee

By: _____
Authorized Signatory

[Form of Schedule I]

Members of the Obligated Group

Name:

Samaritan Housing Foundation, Inc.

Address for Notices:

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: President

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to:

Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

(Form of Assignment to Bond Trustee)

Pay to the order of UMB Bank, National Association, as Bond Trustee for the owners of the Bonds hereinabove mentioned, without warranty and without recourse against the undersigned.

PUBLIC FINANCE AUTHORITY

By: _____
Authorized Signatory

**ARTICLE III
PREPAYMENT**

Section 3.01 Prepayment of Series 2022A Obligation.

The Series 2022A Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part, at the option of the Obligated Group Representative on behalf of the Obligated Group and in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Bonds, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to such Bonds. Any prepayment of the principal of the Series 2022A Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Bonds redeemed with the proceeds of such prepayment.

Section 3.02 Additional Prepayment of Series 2022A Obligation.

The Series 2022A Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Corporation pursuant to Sections 4.11 or 4.12 and 4.13 of the Master Indenture.

Section 3.03 Credit on Series 2022A Obligation.

If the Corporation (i) shall have elected to apply the Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture, (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Corporation and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2022A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bonds have been applied, and the principal amount of the Series 2022A Obligation created hereby due on such date will be reduced accordingly.

Section 3.04 Effect of Prepayment of Series 2022A Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Loan Agreement, the Series 2022A Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2022A Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2022A Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 3.05 Partial Prepayment of Series 2022A Obligation.

In the event of a partial redemption of the Series 2022A Obligation created hereby pursuant to Section 2.01 hereof, the amount of installments of such Series 2022A Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2022A Obligation shall have been paid in full.

[End of Article III]

ARTICLE IV
[INTENTIONALLY OMITTED].

[End of Article IV]

ARTICLE V
CERTAIN COVENANTS

Section 5.01 Indemnity.

(a) To the fullest extent permitted by law, the Obligated Group Representative agrees to indemnify, hold harmless and defend the Master Trustee and its officers, governing members, directors, officials, employees, attorneys and agents (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to this Supplement Number 6 or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby.

(b) In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Obligated Group Representative, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Obligated Group Representative shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Obligated Group Representative if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The provisions of this section shall survive the termination of this Supplement Number 6.

Section 5.02 Rating Application.

The Obligated Group Representative covenants that it will seek a rating of the Bonds in accordance with Section 7.17 of the Loan Agreement.

Section 5.03 Future Affiliation.

If the Obligated Group receives a written offer to enter into an Affiliation, defined as any arrangement with an unrelated Person or group of Persons that would result in the Obligated Group being directly or indirectly controlled by or under direct or indirect common control with such Person or group of Persons, and the boards of directors of the respective Members of the Obligated Group wish to proceed with such an offer, the Obligated Group Representative shall employ a Consultant to issue a report regarding the financial consequence of such an Affiliation. If the Consultant’s report indicates that there would be material financial benefits or other benefits to the Obligated Group or residents of the Facilities resulting from the proposed Affiliation, if the boards of directors of the respective Members of the Obligated Group approve the Affiliation, the Obligated Group Representative shall cause the matter to be submitted to the holders of the Bonds and any Related Bonds and the approval of a majority of the holders of the Bonds and any Related Bonds shall be obtained prior to entering into the Affiliation. If there is an Event of Default in existence and continuing, the approval of the boards of directors of the members of the Obligated Group shall not be required. Prior to any Affiliation, the Corporation shall obtain all approvals required from all governmental agencies having jurisdiction over the Facilities.

[End of Article V]

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

Section 6.01 Successors and Assigns.

This Supplement Number 6 shall be binding upon, inure to the benefit of, and be enforceable by the Obligated Group Representative, the Master Trustee and any Holder of Series 2022A Obligations, including any Related Bond Trustee, and their respective successors and assigns.

Section 6.02 Counterparts.

This Supplement Number 6 may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 6.03 Governing Law.

This Supplement Number 6 shall be governed by, and construed in accordance with, the laws of the State of North Carolina without regard to principles of conflicts of law.

Section 6.04 Effect.

Upon the execution and delivery of this Supplement Number 6, the Master Indenture shall be and be deemed to be amended as of March 1, 2022 and as set forth in this Supplement Number 6. Except as amended by this Supplement Number 6, all of the provisions of the Master Indenture shall remain in full force and effect.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture Number 6 to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community, as Obligated
Group Representative, on behalf of the Obligated
Group

By: _____
President

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Signatory

[Signature Page of Supplemental Indenture Number 6]

[Signature Page of Supplemental Indenture Number 6]

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community
as an Obligated Group Member and as the Obligated Group Representative

and

UMB BANK, NATIONAL ASSOCIATION
as Master Trustee

SUPPLEMENTAL INDENTURE NUMBER 7

Dated as of March 1, 2023

Relating to

**\$(Amount)
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2023A
(Forward Delivery)**

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SUPPLEMENTAL INDENTURE NUMBER 7

THIS SUPPLEMENTAL INDENTURE NUMBER 7, dated as of March 1, 2023 (this “Supplement Number 7”), between **SAMARITAN HOUSING FOUNDATION, INC.** d/b/a Searstone Retirement Community (the “Corporation”), as an Obligated Group Member and as the Obligated Group Representative (the “Obligated Group Representative”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligated Group Representative and the Master Trustee are parties to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, Supplemental Indenture Number 4, dated as of June 1, 2020, Supplemental Indenture Number 5, dated as of October 1, 2021, and Supplemental Indenture Number 6, dated as of March 1, 2022, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of March 1, 2023 (the “Bond Indenture”), between the Public Finance Authority (the “Issuer”) and UMB Bank, National Association, as trustee (the “Bond Trustee”), the Issuer has contemporaneously herewith issued its Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery), in the aggregate principal amount of \$[Amount] (the “Bonds”), for the purpose of (i) refunding the Refunded Bonds (as defined in the Bond Indenture) and (ii) paying a portion of the costs of issuance of the Bonds; and

WHEREAS, pursuant to the Loan Agreement dated as of March 1, 2023 (the “Loan Agreement”), between the Corporation and the Issuer, the Obligated Group Representative has agreed to issue the Series 2023A Obligation (as defined herein) created by this Supplement Number 7 to evidence the obligation of the Obligated Group Representative to make the payments required under the Loan Agreement; and

WHEREAS, the Obligated Group Representative is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver such Series 2023A Obligation pursuant to the Master Trust Indenture; and

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of such Series 2023A Obligation; and

WHEREAS, all acts and things necessary to make the Series 2023A Obligation authorized by this Supplement Number 7, when executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture and this Supplement Number 7, the valid, binding and legal obligation of the Obligated Group Representative, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplement Number 7 and the issue hereunder and under the Master Trust Indenture of the Series 2023A Obligation created by this Supplement Number 7 have in all respects been duly authorized, and the Obligated Group Representative, in the exercise of the legal right and power vested in it, executes this Supplement Number 7 and proposes to make, execute, issue and deliver the Series 2023A Obligation created hereby;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Series 2023A Obligation authorized hereby is authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Series 2023A Obligation created hereby by the Holder thereof, the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

ARTICLE I DEFINITIONS OF TERMS

Section 1.01 Definitions.

Capitalized terms used in this Supplement Number 7 that are not defined herein shall have the meanings assigned to them in the Master Indenture.

“Outstanding” with respect to the Bonds, has the meaning set forth in Section 1.1 of the Loan Agreement.

“Series 2023A Obligation” has the meaning set forth in Section 2.01.

[End of Article I]

ARTICLE II
SERIES 2023A OBLIGATION

Section 2.01 Series 2023A Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled Samaritan Housing Foundation, Inc. Series 2023A Obligation (the “Series 2023A Obligation”). The Series 2023A Obligation, in the principal amount of \$[Amount], may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 2.02 Series 2023A Obligation Secured by Debt Service Reserve Fund.

The Debt Service Reserve Fund created pursuant to Section 3.06 of the Master Indenture and referred to as Reserve Fund No. 1 shall secure the Series 2023A Obligation on an equal and ratable basis with the Series 2021A Obligation, the Series 2022A Obligation and any Additional Master Obligations evidencing Indebtedness other than Subordinate Indebtedness if required by the related Supplement. Simultaneously with the issuance of the Series 2023A Obligation, the Corporation shall transfer, or cause to be transferred, to the Master Trustee for deposit into Reserve Fund No. 1, \$_____ of the sale proceeds of the Bonds or moneys on deposit in the Series 2017 Account of Reserve Fund No. 1, which is the difference between the Debt Service Reserve Fund Requirement, \$_____, and the amount required to be deposit in Reserve Fund No. 1 (excluding investment earnings), \$_____. The Master Trustee shall establish an account within Reserve Fund No. 1 to be known as the “Series 2023A Account” and shall deposit the proceeds of the Bonds or moneys on deposit in the Series 2017 Account of Reserve Fund No. 1 it receives in such account.

Section 2.03 Form of Series 2023A Obligation.

The Series 2023A Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated March 3, 2023, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2023A Obligation, and shall be substantially in the following form:

**THIS OBLIGATION HAS NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933
OR ANY STATE SECURITIES LAW**

\$[AMOUNT]

SAMARITAN HOUSING FOUNDATION, INC.
SERIES 2023A OBLIGATION

SAMARITAN HOUSING FOUNDATION, INC., d/b/a Searstone Retirement Community, as an obligated group member and the obligated group representative (the “Obligated Group Representative”), for value received, hereby promises to pay to the PUBLIC FINANCE AUTHORITY (the “Issuer”), or registered assigns, at the designated corporate trust office of UMB Bank, National Association, as Bond Trustee (the “Bond Trustee”), the principal sum set forth above and to pay interest on the unpaid principal balance hereof, in each case as provided in Section 5.2 of the Loan Agreement dated as of March 1, 2023 (the “Loan Agreement”) between the Issuer and the Obligated Group Representative, and on such other dates as may be required by the Loan Agreement, until the principal amount hereof is paid or made available for payment. Principal of, premium, if any, and interest on this Series 2023A Obligation are payable in any

coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, and interest hereon shall be payable in immediately available funds by depositing the same with the Bond Trustee five (5) business days prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined, as provided in the Bond Indenture, as herein defined.

This Series 2023A Obligation is issued in the principal amount of \$[Amount], dated March 3, 2023 and designated as the “Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community, Series 2023A Obligation” (this “Series 2023A Obligation”, and together with all other Obligations issued under the Master Indenture hereinafter defined, the “Obligations”), under and pursuant to Supplemental Indenture Number 7, dated as of March 1, 2023 (“Supplement Number 7”), between the Obligated Group Representative and UMB Bank, National Association, as master trustee (the “Master Trustee”), supplementing and amending the Second Amended and Restated Master Trust Indenture, dated as of July 31, 2019, as previously supplemented by Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, Supplemental Indenture Number 4, dated as of June 1, 2020, Supplemental Indenture Number 5, dated as of October 1, 2021, and Supplement Number 6, dated as of March 1, 2022, each between the Obligated Group Representative and the Master Trustee (collectively, the “Master Indenture”), and delivered pursuant to the Loan Agreement.

Pursuant to the terms of the Master Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Series 2023A Obligation and all other Obligations.

This Series 2023A Obligation is issued for the purpose of securing the payment of the principal of, premium, if any, and interest on the Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery), in the aggregate principal amount of \$[Amount] (the “Bonds”). The Bonds are being issued under the laws of the State of Wisconsin, including particularly the Joint Exercise of Powers Law Act, Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time (the “Act”), and an Indenture of Trust, dated as of March 1, 2023 (the “Bond Indenture”), between the Issuer and the Bond Trustee, for the purpose of (a) refunding the Refunded Bonds (as defined in the Bond Indenture) and (b) paying a portion of the costs of issuance of the Bonds.

This Series 2023A Obligation ranks equally with the Series 2021 Obligations and the Series 2022A Obligation, as defined in the Master Indenture.

Copies of the Master Indenture are on file at the corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the Holder of this Series 2023A Obligation, the terms and conditions on which, and the purposes for which, this Series 2023A Obligation is issued and the rights, duties and obligations of the Obligated Group Representative and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Series 2023A Obligation, assents.

Any amounts in the Bond Fund (as defined in the Loan Agreement) at the close of business of the Bond Trustee on the day immediately preceding any payment date on this Series 2023A Obligation in excess of the aggregate amount then required to be contained in such account of such Bond Fund shall be credited against the payments due by the Obligated Group Representative and the other Obligated Group Members on such next succeeding principal or interest payment date on this Series 2023A Obligation.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Indenture) and of the Holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding (as defined in the Master Indenture) under the Master Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the Holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of such Obligation. Any such consent by the Holder of this Series 2023A Obligation shall be conclusive and binding upon such holder and all future Holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Series 2023A Obligation.

In the manner and with the effect provided in the Master Indenture, this Series 2023A Obligation and its principal installments will be subject to prepayment and redemption prior to maturity, in whole or in part, at the option of the Obligated Group Representative in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Bonds, without penalty, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding (as defined in the Loan Agreement) Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to the Bonds.

If the Obligated Group Representative (i) shall have elected to apply a Bond or Bonds that have been redeemed or otherwise acquired by the Obligated Group Representative or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture and (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bond or Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on this Series 2023A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bond or Bonds have been applied, and the principal amount of this Series 2023A Obligation due on such date will be reduced accordingly.

Any redemption, either in whole or in part, shall be made upon not more than 60 nor less than 30 days' notice in the manner and upon the terms and conditions provided in the Master Indenture. If this Series 2023A Obligation shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Indenture, interest on this Series 2023A Obligation shall cease to accrue from the date fixed for redemption, and from and after such date this Series 2023A Obligation shall be deemed not to be Outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture, and the holder hereof shall have no rights in respect of this Series 2023A Obligation other than payment of the redemption price, together with accrued interest to the date fixed for redemption.

Upon the occurrence of certain "Events of Default," as defined in the Master Indenture, the principal of all Outstanding Obligations may be declared due and payable, and thereupon shall become due and payable as provided in the Master Indenture.

The Holder of this Series 2023A Obligation shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

This Series 2023A Obligation shall be registered on the register to be maintained by the Master Trustee and this Series 2023A Obligation shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Series 2023A Obligation a new registered Series 2023A Obligation without coupons, registered in the name of the transferee.

The Obligated Group Representative and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the Person in whose name this Series 2023A Obligation is registered as the absolute owner hereof for all purposes; and none of the Obligated Group Representative and the other Obligated Group Members, the Master Trustee, and any paying agent, shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Series 2023A Obligation.

No covenant or agreement contained in this Series 2023A Obligation or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Series 2023A Obligation shall be liable personally on this Series 2023A Obligation or be subject to any personal liability or accountability by reason of the issuance of this Series 2023A Obligation.

This Series 2023A Obligation shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Series 2023A Obligation shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligated Group Representative has caused this Series 2023A Obligation to be executed in its name and on its behalf by the manual or facsimile signature of its President.

SAMARITAN HOUSING FOUNDATION, INC.

By: _____
President

[Form of Endorsement by Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Indenture) hereby certifies that, pursuant to the provisions of the Master Indenture, the Obligated Group Representative and all other Obligated Group Members referred to and defined in the Master Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Series 2023A Obligation are identified on Schedule I attached hereto.

Any Person (as defined in the Master Indenture) who shall satisfy the conditions set forth in the Master Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Series 2023A Obligation shall thereupon and thereafter likewise be jointly and severally obligated on this Series 2023A Obligation, whether or not the name of such Person shall appear on or be added to Schedule I.

If any Person who is on the date of execution and delivery of this Series 2023A Obligation, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such Person shall thereupon and thereafter be released from any further liability or obligation on this Series 2023A Obligation and under the Master Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Indenture) and to all other Holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Indenture.

SAMARITAN HOUSING FOUNDATION, INC.
d/b/a Searstone Retirement Community, as Obligated
Group Representative

By: _____
President

[Form of Master Trustee's Certificate of Authentication]

This Series 2023A Obligation is one of the Obligations referred to in the aforementioned Master Indenture.

Date of Authentication: March 3, 2023

UMB BANK, NATIONAL ASSOCIATION, not in
its individual capacity, but solely as Master Trustee

By: _____
Authorized Signatory

[Form of Schedule I]

Members of the Obligated Group

Name:

Samaritan Housing Foundation, Inc.

Address for Notices:

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: President

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to:

Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

(Form of Assignment to Bond Trustee)

Pay to the order of UMB Bank, National Association, as Bond Trustee for the owners of the Bonds hereinabove mentioned, without warranty and without recourse against the undersigned.

PUBLIC FINANCE AUTHORITY

By: _____
Authorized Signatory

**ARTICLE III
PREPAYMENT**

Section 3.01 Prepayment of Series 2023A Obligation.

The Series 2023A Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part, at the option of the Obligated Group Representative on behalf of the Obligated Group and in accordance with the provisions of the Bond Indenture for prepayment and redemption of the Bonds, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or Government Obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to such Bonds. Any prepayment of the principal of the Series 2023A Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Bonds redeemed with the proceeds of such prepayment.

Section 3.02 Additional Prepayment of Series 2023A Obligation.

The Series 2023A Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Corporation pursuant to Sections 4.11 or 4.12 and 4.13 of the Master Indenture.

Section 3.03 Credit on Series 2023A Obligation.

If the Corporation (i) shall have elected to apply the Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture, (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Corporation and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2023A Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bonds have been applied, and the principal amount of the Series 2023A Obligation created hereby due on such date will be reduced accordingly.

Section 3.04 Effect of Prepayment of Series 2023A Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Loan Agreement, the Series 2023A Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2023A Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2023A Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 3.05 Partial Prepayment of Series 2023A Obligation.

In the event of a partial redemption of the Series 2023A Obligation created hereby pursuant to Section 2.01 hereof, the amount of installments of such Series 2023A Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2023A Obligation shall have been paid in full.

[End of Article III]

**ARTICLE IV
[INTENTIONALLY OMITTED].**

[End of Article IV]

**ARTICLE V
CERTAIN COVENANTS**

Section 5.01 Indemnity.

(a) To the fullest extent permitted by law, the Obligated Group Representative agrees to indemnify, hold harmless and defend the Master Trustee and its officers, governing members, directors, officials, employees, attorneys and agents (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to this Supplement Number 7 or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby.

(b) In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Obligated Group Representative, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Obligated Group Representative shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Obligated Group Representative if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The provisions of this section shall survive the termination of this Supplement Number 7.

Section 5.02 Rating Application.

The Obligated Group Representative covenants that it will seek a rating of the Bonds in accordance with Section 7.17 of the Loan Agreement.

Section 5.03 Future Affiliation.

If the Obligated Group receives a written offer to enter into an Affiliation, defined as any arrangement with an unrelated Person or group of Persons that would result in the Obligated Group being directly or indirectly controlled by or under direct or indirect common control with such Person or group of Persons, and the boards of directors of the respective Members of the Obligated Group wish to proceed with such an offer, the Obligated Group Representative shall employ a Consultant to issue a report regarding the financial consequence of such an Affiliation. If the Consultant’s report indicates that there would be material financial benefits or other benefits to the Obligated Group or residents of the Facilities resulting from the proposed Affiliation, if the boards of directors of the respective Members of the Obligated Group approve the Affiliation, the Obligated Group Representative shall cause the matter to be submitted to the holders of the Bonds and any Related Bonds and the approval of a majority of the holders of the Bonds and any Related Bonds shall be obtained prior to entering into the Affiliation. If there is an Event of Default in existence and continuing, the approval of the boards of directors of the members of the Obligated Group shall not be required. Prior to any Affiliation, the Corporation shall obtain all approvals required from all governmental agencies having jurisdiction over the Facilities.

[End of Article V]

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

Section 6.01 Successors and Assigns.

This Supplement Number 7 shall be binding upon, inure to the benefit of, and be enforceable by the Obligated Group Representative, the Master Trustee and any Holder of Series 2023A Obligations, including any Related Bond Trustee, and their respective successors and assigns.

Section 6.02 Counterparts.

This Supplement Number 7 may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 6.03 Governing Law.

This Supplement Number 7 shall be governed by, and construed in accordance with, the laws of the State of North Carolina without regard to principles of conflicts of law.

Section 6.04 Effect.

Upon the execution and delivery of this Supplement Number 7, the Master Indenture shall be and be deemed to be amended as of March 1, 2023 and as set forth in this Supplement Number 7. Except as amended by this Supplement Number 7, all of the provisions of the Master Indenture shall remain in full force and effect.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture Number 7 to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community, as Obligated
Group Representative, on behalf of the Obligated
Group

By: _____
President

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Signatory

[Signature Page of Supplemental Indenture Number 7]

[Signature Page of Supplemental Indenture Number 7]

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(This Table of Contents is not a part of this
Indenture of Trust and is only for convenience of reference)

PUBLIC FINANCE AUTHORITY

TO

**UMB BANK, NATIONAL ASSOCIATION,
AS BOND TRUSTEE**

INDENTURE OF TRUST

Dated as of October 1, 2021

**§[2021A Amount]
Public Finance Authority
Revenue Bonds
(Searstone CCRC Project)
Series 2021A**

**§[2021B-1 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-1**

**§[2021B-2 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-2**

**§[2021C Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021C Taxable**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of October 1, 2021 (this “2021 Bond Indenture”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **UMB BANK, NATIONAL ASSOCIATION** (the “Bond Trustee”), a national banking association with trust powers having an office in Minneapolis, Minnesota, as trustee, being authorized to accept and execute trusts of the character herein set out,

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the acquisition and construction of a continuing care retirement community located in Wake County, North Carolina (the “Community”), owned and operated by Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, of which \$8,000,000 in aggregate principal amount remains currently outstanding (the “Series 2016 Bonds”), to finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center and the acquisition of land for the Phase II Expansion (as defined below), and to fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease and refund all of the Series 2012 Bonds that then remained outstanding, finance certain pre-development costs relating to the Phase II Expansion, fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation (the “Series 2017 Obligation”), issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as of December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), all of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined below), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund created under the Master Indenture, and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of (1) financing capital expenditures, including but not limited to, (a) costs relating to the expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage,

(ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion”), and (b) costs relating to the modification, improvement, or enhancement of infrastructure serving the Community (collectively with the capital expenditures described in clause (a), the “2021 Project”) and (2) refunding all of the outstanding Series 2020 Bonds (the “Refunded 2020 Bonds”); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A,” in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”), its revenue bonds, to be designated as “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1,” in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its revenue bonds, to be designated as “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2,” in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its revenue bonds, to be designated as “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable,” in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, collectively with the Series 2021A Bonds, Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021 Bonds” or the “Bonds”) to (a) finance the 2021 Project, (b) refund the Refunded 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund created under the Master Indenture as additional security for the Series 2021A Obligation (as defined below), (e) fund the 2021B-C Debt Service Reserve Fund (as defined in the hereinafter described 2021 Agreement) and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the 2021 Project is to be located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Series 2021 Bonds; and

WHEREAS, the financing and refinancing of the 2021 Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the 2021 Project is located; and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of October 1, 2021, with the Corporation (the “2021 Agreement”) specifying the terms and conditions of a loan by the Issuer to the Corporation of the proceeds of the Series 2021 Bonds to provide for financing and refinancing of the 2021 Project and of the payment by the Corporation to the Issuer of amounts sufficient for the payment of the principal of and interest on the Series 2021 Bonds and certain related expenses; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2021 Bonds, to establish and declare the terms and conditions upon which the Series 2021 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Issuer has authorized the execution and delivery of this 2021 Bond Indenture; and

WHEREAS, the Series 2021 Bonds, and the Bond Trustee’s certificate of authentication and assignment to appear thereon, shall be in substantially the form set forth herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this 2021 Bond Indenture; and

WHEREAS, the obligation of the Corporation make loan payments under the 2021 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2021A Bonds will be evidenced by the Corporation’s Series 2021A Master Obligation, in the principal amount of \$[2021A

Amount], payable to the Issuer (the “Series 2021A Obligation”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 5 (“Supplement Number 5”), dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, the obligation of the Corporation to make loan payments under the 2021 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds will be evidenced by the Corporation’s Series 2021B-C Master Obligation, in the principal amount of \$[2021B-C Amount], payable to the Issuer (the “Series 2021B-C Obligation” and, together with the Series 2021A Obligation, the “Series 2021 Obligations”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplement Number 5; and

WHEREAS, each of the Series 2021 Obligations is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2016 Obligation and the Series 2017 Obligation; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Issuer, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this 2021 Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the 2021 Bond Indenture have been in all respects duly authorized; and

WHEREAS, the Series 2021 Bonds, the Bond Trustee’s Authentication Certificate and the Assignment are to be substantially in the following form, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this 2021 Bond Indenture:

(FORM OF SERIES 2021[A][B-1][B-2][C] BOND)

THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE STATE OF WISCONSIN, INCLUDING PARTICULARLY SECTION 66.0304 OF THE WISCONSIN STATUTES, AS AMENDED. BONDS ISSUED UNDER SECTION 66.0304 SHALL NOT BE INVALID FOR ANY IRREGULARITY OR DEFECT IN THE PROCEEDINGS FOR THEIR SALE OR ISSUANCE.

NEITHER THIS BOND NOR ANY BENEFICIAL OWNERSHIP INTEREST HEREIN MAY BE TRANSFERRED BY THE BENEFICIAL OWNER HEREOF EXCEPT (I) IN AUTHORIZED DENOMINATIONS TO (II) ANY PERSON THAT IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR (B) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND, IN THE CASE OF ANY ACCREDITED INVESTOR WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER, IN A MINIMUM PRINCIPAL AMOUNT OF \$25,000 REGARDLESS OF ANY LOWER MINIMUM DENOMINATION AUTHORIZED BY THE BOND INDENTURE.

[PUBLIC FINANCE AUTHORITY
REVENUE BOND
(SEARSTONE CCRC PROJECT)
SERIES 2021A]

[PUBLIC FINANCE AUTHORITY
ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM
(SEARSTONE CCRC PROJECT)
SERIES 2021[B-1][B-2][C TAXABLE]]

No. R[A][B-1][B-2][C]-1 \$[AMOUNT]

Interest Rate	Maturity Date	Delivery Date	Dated Date:	CUSIP No.
___%	June 1, 20[]	October __, 2021	October __, 2021	74442PP []

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

PUBLIC FINANCE AUTHORITY, a joint powers commission under the Act (as hereinafter defined), the "commission" under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and December 1 of each year, commencing June 1, 2022, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date set forth above.

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THIS BOND IS NOT A DEBT OF THE STATE OR ANY MEMBER AND DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

This Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Section 66.0304 of the Wisconsin Statutes, as amended. This Bond is a limited obligation of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged to its payment and not from any other revenues, funds or assets of the Issuer.

The principal of and premium, if any, on this Bond are payable upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, National Association, as bond trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of October 1, 2021 (the "2021 Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the Issuer maintained by the Bond Trustee at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such interest payment date (the "Regular Record Date") or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, redemption premium, if any, and interest on the Series 2021[A][B-1][B-2][C] Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (as defined in the hereinafter defined 2021 Agreement), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of such Bonds not less than ten days prior to such Special Record Date. Alternative means of payment of interest may be used if mutually agreed upon between the owner of this Bond and the Bond Trustee, as provided in the 2021 Bond Indenture. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Bond Trustee.

Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on this Bond exceed the Maximum Rate.

This Bond shall be issued pursuant to a book entry system administered by The Depository Trust Company (together with any successor thereto, “Securities Depository”). The book entry system will evidence beneficial ownership of the Series 2021[A][B-1][B-2][C] Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book entry system is in effect, transfer of principal, interest and premium payments, and provisions of notices or other communications, to beneficial owners of the Series 2021[A][B-1][B-2][C] Bonds will be the responsibility of the Securities Depository as set forth in the 2021 Bond Indenture.

This Bond is one of a duly authorized series of bonds of the Issuer dated the date shown above known as [“Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable”] (the “Series 2021[A][B-1][B-2][C] Bonds”) and issued in an Aggregate Principal Amount (as defined in the hereinafter defined 2021 Agreement) of \$[_____].

Simultaneously with the issuance of the Series 2021[A][B-1][B-2][C] Bonds, the Issuer will issue its bonds designated as [“Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2”/ “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable”] in the aggregate principal amount of \$[_____] (the “Other Bonds”) and, collectively with the Series 2021[A][B-1][B-2][C] Bonds, the “Series 2021 Bonds”). The Series 2021 Bonds are parity obligations with rank equally, without privilege, priority or distinction, as to payment and security of any such Bonds over any other of such Bonds.

The proceeds of the Series 2021 Bonds are being issued for the purpose of providing funds to be lent to Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), to be used to (a) finance capital expenditures, including but not limited to, costs relating to the expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to repurpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion”); (b) finance capital expenditures, including but not limited to, modifying, improving, and enhancing certain infrastructure serving the Community (collectively with the capital expenditures described in clause (a), the “2021 Project”); (c) refund the Refunded 2020 Bonds (as defined in the 2021 Bond Indenture); (d) fund capitalized interest on the Series 2021 Bonds; (e) fund a portion of the Parity Debt Service Reserve Fund created under the Master Indenture as additional security for the Series 2021A Obligation; (f) fund the 2021B-C Debt Service Reserve Fund and (g) pay a portion of the cost of issuance of the Series 2021 Bonds.

To evidence its loan repayment obligations, the Corporation has issued two master obligations (the “Series 2021 Obligations”) in connection with a Loan Agreement dated as of October 1, 2021, between the Issuer and the Corporation (the “2021 Agreement”). The Series 2021 Obligations are issued pursuant to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as previously supplemented and as supplemented by Supplemental Indenture Number 5, dated as of October 1, 2021 between the Corporation and the Master Trustee collectively, the “Master Indenture”). Pursuant to the

Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2021 Obligations. The Issuer, on behalf of the Corporation, has previously issued its Revenue Bonds (SearStone CCRC Project) Series 2016, of which \$8,000,000 in aggregate principal amount remains currently outstanding, its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds”) and together with the Series 2017A Bonds, the “Series 2017 Bonds”). The Series 2016 Bonds are secured equally with the Series 2017 Bonds and the Series 2021 Bonds by an obligation issued under the Master Indenture (the “Series 2016 Obligation”), and Series 2017 Bonds are secured equally with the Series 2016 Bonds and the Series 2021 Bonds by an obligation issued under the Master Indenture (the “Series 2017 Obligation”). Additional Master Obligations on a parity with the Series 2016 Obligation, the Series 2017 Obligation, the Series 2021 Obligations and the other parity obligations may be issued pursuant to the Master Indenture subject to the conditions and terms contained therein, and the payments on such additional Master Obligations will also be secured by a pledge of the Gross Revenues.

This Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the 2021 Agreement and the applicable Series 2021 Obligation and the security therefor. The Series 2021 Bonds are issued under and are equally and ratably secured and are entitled to the protection given by the 2021 Bond Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the 2021 Bond Indenture, or in any Series 2021 Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the 2021 Bond Indenture, shall be had against any director, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Series 2021 Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Bond or the 2021 Bond Indenture, shall be personally liable hereon or thereon or be subject to any personal liability by reason of the issuance hereof and thereof, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the 2021 Bond Indenture and the issuance of this Bond.

Reference is hereby made to the 2021 Bond Indenture and all indentures supplemental thereto and the Master Indenture for a description of the revenues pledged, the nature and extent of the security, the rights, duties, and obligations of the Issuer, the Bond Trustee and the beneficial owners of the Series 2021 Bonds, and the terms and conditions upon which the Series 2021 Bonds are, and are to be, secured.

The Series 2021 Bonds are subject to redemption prior to maturity as provided in 2021 Bond Indenture.

The Series 2021 Bonds are issuable as fully registered Bonds in denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Series 2021 Bonds shall be allowed to purchase, transfer, or sell such Series 2021 Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer or sale, each beneficial owner owns at least \$25,000 of principal amount of the Series 2021 Bonds. Series 2021 Bonds may be owned by, and transferred to, only

an entity that is either (i) a “Qualified Institutional Buyer” (as defined in Rule 144A under the Securities Act of 1933, as amended) or (ii) an “accredited investor” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) and in a minimum principal amount of \$25,000; provided, however, that if the restrictions of the transfer of Series 2021 Bonds no longer apply pursuant to the 2021 Bond Indenture, then there will be no restrictions on who may own Series 2021 Bonds and no requirement of ownership of a minimum principal amount. Series 2021 Bonds are exchangeable for an equal principal amount of fully registered Series 2021 Bonds of the same maturity and series of other authorized denominations at the aforesaid office of the Bond Trustee, but only in the manner and subject to the limitations and on payment of the charges provided in the 2021 Bond Indenture.

This Bond is fully transferable by the registered owner hereof in person or by its duly authorized attorney on the registration books kept at the designated office of the Bond Trustee upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Bond of authorized denomination or denominations for the same Aggregate Principal Amount, maturity, and series will be issued to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the 2021 Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Series 2021 Bond after the mailing of notice calling such Series 2021 Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the 2021 Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee shall be affected by any notice to the contrary. The principal of, premium, if any, and interest on this Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Bond shall have no right to enforce the provisions of the 2021 Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the 2021 Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the 2021 Bond Indenture. In case an event of default under the 2021 Bond Indenture shall occur, the principal of all of the Series 2021 Bonds at any such time Outstanding under the 2021 Bond Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the 2021 Bond Indenture. The 2021 Bond Indenture provides that such declaration may in certain events be waived by the Bond Trustee or the owners of a requisite principal amount of the Series 2021 Bonds Outstanding under the 2021 Bond Indenture.

To the extent permitted by, and as provided in, the 2021 Bond Indenture, modifications or amendments of the 2021 Bond Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the owners of the Series 2021 Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3 % in aggregate principal amount of the Series 2021 Bonds then Outstanding. Any such consent by the owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Series 2021[A][B-1][B-2][C] Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

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 2021 Bond Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS BOND shall not be entitled to any benefit under the 2021 Bond Indenture, or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Bond Trustee shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the Public Finance Authority has caused this Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2021[A][B-1][B-2][C] Bonds referred to in the within mentioned 2021 Bond Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION**, as
Bond Trustee
October __, 2021

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond, and does hereby irrevocably constitute and appoint attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Date: _____ NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature Guaranteed By:

Authorized Signatory

NOTE: The signature to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Signature Program ("MSP").

[FORM OF DTC FAST RIDER]

DTC FAST RIDER

Each Series 2021[A][B-1][B-2][C] Bond certificate shall remain in the Bond Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Bond Trustee and DTC.

* * * [END OF SERIES 2021 BOND FORM] * * *

WHEREAS, all things necessary to make the Series 2021 Bonds, when authenticated by the Bond Trustee and issued as in this 2021 Bond Indenture provided, the valid, binding, and legal obligations of the Issuer and to constitute this 2021 Bond Indenture a valid, binding, and legal instrument for the security of the Series 2021 Bonds in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2021 Bonds by the Beneficial Owners thereof and of the sum of One Dollar to it duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Series 2021 Bonds at any time Outstanding under this 2021 Bond Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Series 2021 Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Series 2021 Bonds are issued and secured, has executed and delivered this 2021 Bond Indenture and has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, set over, and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, pledge, set over, and confirm unto UMB Bank, National Association, as trustee, and to its successors and assigns forever, all and singular the following described property, franchises, and income:

1. All of the Issuer's right, title and interest in and to the Series 2021 Obligations delivered by the Corporation to the Issuer pursuant to the 2021 Agreement; and
2. All of the Issuer's right, title and interest in and to the 2021 Agreement (except for Reserved Rights); provided, however, that nothing in this clause shall impair, diminish or otherwise affect the Issuer's obligations under the 2021 Agreement or, except as otherwise provided in this 2021 Bond Indenture, impose any such obligations on the Bond Trustee; and
3. Amounts on deposit from time to time in the funds and accounts held under this Indenture, including but not limited to the Bond Fund, the 2021B-C Debt Service Reserve Fund, Cost of Issuance Fund, Administrative Cost Fund, and Project Fund, but excluding the Rebate Fund

(all as defined in the 2021 Agreement), subject to the provisions of this 2021 Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

4. Any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with the Bond Trustee as additional security by the Issuer or anyone on its part or with its written consent, or which pursuant to any of the provisions hereof or of the 2021 Agreement or the Series 2021 Obligations may come into the possession of or control of the Bond Trustee or a receiver appointed pursuant to Article VIII hereof, as such additional security; and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Series 2021 Bonds, and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Bond Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Beneficial Owners of the Series 2021 Bonds issued under and secured by this 2021 Bond Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Series 2021 Bonds over any other of the Series 2021 Bonds;

SUBJECT ONLY TO THE RIGHTS OF THE ISSUER TO APPLY AMOUNTS UNDER THE PROVISIONS OF THIS 2021 BOND INDENTURE, THE PLEDGE AND ASSIGNMENT OF THE TRUST ESTATE HEREBY MADE SHALL IMMEDIATELY ATTACH THERETO AND SHALL BE EFFECTIVE, BINDING AND ENFORCEABLE FROM AND AFTER THE TIME OF THE DELIVERY BY THE BOND TRUSTEE OF THE FIRST SERIES 2021 BONDS AUTHENTICATED AND DELIVERED UNDER THIS 2021 BOND INDENTURE. THE SECURITY SO PLEDGED AND ANY ASSIGNMENT THEN OR THEREAFTER RECEIVED BY BOND TRUSTEE FROM THE ISSUER AS SECURITY FOR THE SERIES 2021 BONDS SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE AND ASSIGNMENT AND THE LIEN OF SUCH PLEDGE AND ASSIGNMENT SHALL BE VALID AND BINDING AGAINST THE ISSUER, PURCHASERS THEREOF, CREDITORS AND ALL OTHER PARTIES HAVING CLAIMS AGAINST THE ISSUER IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF AND WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION, FILING, OR FURTHER ACT;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, the principal of the Series 2021 Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2021 Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Bond Trustee the entire amount due or to become due hereon, or certain securities as herein permitted and shall keep, perform, and observe all the covenants and conditions pursuant to the terms of this 2021 Bond Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Bond Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this 2021 Bond Indenture and the rights hereby granted shall cease, determine, and be void; otherwise this 2021 Bond Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH and it is expressly declared that all Series 2021 Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the

terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and with the respective Beneficial Owners from time to time of the Series 2021 Bonds as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. All defined words and phrases used but not otherwise defined in this 2021 Bond Indenture shall have the meaning given and ascribed to such words and phrases in Article I of the 2021 Agreement.

Section 1.02. Recital Incorporation. The recitals set forth in the beginning of this 2021 Bond Indenture are hereby incorporated herein.

[End of Article I]

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01. Authorized Amount of Series 2021 Bonds. No Series 2021 Bonds may be issued under this 2021 Bond Indenture except in accordance with this Article. The total original principal amount of Series 2021A Bonds that may be issued hereunder is hereby expressly limited to \$[2021A Amount], the total original principal amount of Series 2021B-1 Bonds that may be issued hereunder is hereby expressly limited to \$[2021B-1 Amount], the total original principal amount of Series 2021B-2 Bonds that may be issued hereunder is hereby expressly limited to \$[2021B-2 Amount], and the total original principal amount of Series 2021C Bonds that may be issued hereunder is hereby expressly limited to \$[2021C Amount].

Section 2.02. Series 2021 Bonds Equally and Ratably Secured; Bonds Not Obligation of Issuer. All Series 2021 Bonds issued under this 2021 Bond Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Series 2021 Bonds, so that all Series 2021 Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference under and by virtue of this 2021 Bond Indenture, and shall all be equally and ratably secured hereby. The Series 2021 Bonds shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer.

Section 2.03. Authorization of Series 2021 Bonds.

(a) There is hereby authorized to be issued hereunder and secured hereby (i) a series of bonds designated as the “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A,” which shall be numbered consecutively upward from RA-1, (ii) a series of bonds designated as the “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1,” which shall be numbered consecutively upward from RB-1-1, (iii) a series of bonds designated as the “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2,” which shall be numbered consecutively upward from RB-2-1 and (iv) a series of bonds designated as the “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable” which shall be numbered consecutively upward from RC-1.

(b) (i) The Series 2021A Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2021A Bonds. The Series 2021A Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2022, at the rates per annum and shall mature on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate (%)</u>
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_____	_____	_____
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(ii) The Series 2021B-1 Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2021B-1 Bonds. The Series 2021B-1 Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2022, at the rate per annum of _____ percent (____%) and shall mature on June 1, 20__.

(iii) The Series 2021B-2 Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2021B-2 Bonds. The Series 2021B-2 Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2022, at the rate per annum of _____ percent (____%) and shall mature on June 1, 20__.

(iv) The Series 2021C Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2021C Bonds. The Series 2021C Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2022, at the rate per annum of _____ percent (____%) and shall mature on June 1, 20__.

Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on the Series 2021 Bonds exceed the Maximum Rate.

(c) The Series 2021 Bonds shall be issued in Authorized Denominations and shall be dated the Delivery Date. The Series 2021 Bonds are subject to prior redemption as herein set forth and shall be substantially in the form and tenor hereinabove recited with appropriate variations, omissions, and insertions as are permitted or required by this 2021 Bond Indenture.

(d) The principal of, premium, if any, and interest on the Series 2021 Bonds shall be payable in lawful money of the United States of America at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, upon presentation and surrender of the Series 2021 Bonds. Payment of interest on any Series 2021 Bond shall be made to the person who is the registered owner thereof at the close of business on the Regular Record Date for such Interest Payment Date by check mailed by the Bond Trustee on such Interest Payment Date to such registered owner at its address as it appears on the registration records kept by the Bond Trustee or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal, premium, if any, and interest on the Series 2021 Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner of such Series 2021 Bond at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Series 2021 Bonds not less than ten days prior thereto by first class postage prepaid mail to each such registered owner as shown on the registration records, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed upon between the Beneficial Owners of any Series 2021

Bonds and the Bond Trustee. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and premium, if any, and interest on any Series 2021 Bonds that are subject to the book entry system as provided in Article II of this 2021 Bond Indenture shall be made in accordance with the rules, regulations and procedures established by the securities depository in connection with the book entry system.

Section 2.04. Execution of Bonds, Signatures. The Series 2021 Bonds shall be executed on behalf of the Issuer by its authorized signatory and its corporate seal shall be thereunto affixed and attested by an authorized signatory. The signatures of such authorized signatories and the seal of the Issuer may be in facsimile. In case any officer who shall have signed any of the Series 2021 Bonds shall cease to hold such office and any of such Bonds shall have been authenticated by the Bond Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Bond Trustee, and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Registration and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Series 2021 Bonds as provided in this 2021 Bond Indenture to be kept by the Bond Trustee which is hereby appointed the bond registrar of the Issuer for the Series 2021 Bonds. Upon surrender for transfer of any fully registered Bond at the Payment Office of the Bond Trustee, duly endorsed for transfer or accomplished by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like Aggregate Principal Amount for a like principal amount, maturity, and series.

The Issuer shall execute and the Bond Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Bond Trustee shall not be required to transfer or exchange any Series 2021 Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business fifteen days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

As to any Series 2021 Bond, 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 principal of or interest on any Series 2021 Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Bond Trustee shall require the payment by any Series 2021 Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed, and Mutilated Bonds. Upon receipt by the Bond Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Series 2021 Bond and, in the case of a lost, stolen, or destroyed Bond, of indemnity satisfactory to it, and upon

surrender and cancellation of the Bond if mutilated, (i) the Issuer shall execute, and the Bond Trustee shall authenticate and deliver, a new Bond of the same date, maturity and series as the lost, stolen, destroyed or mutilated Bond in lieu of such lost, stolen, destroyed, or mutilated Bond or (ii) if such lost, stolen, destroyed, or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Issuer may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Bond Trustee in connection with the issue of such new Bond. All Series 2021 Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds, negotiable instruments, or other securities. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such duplicate Bond was issued presents for payment such original Bond, the Corporation or the Bond Trustee shall be entitled to recover upon such new Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Corporation or the Bond Trustee in connection therewith.

Section 2.07. Delivery of Series 2021 Bonds. Upon the execution and delivery of this 2021 Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Series 2021 Bonds and deliver them to the initial purchasers thereof as directed by the Issuer and as hereinafter in this Section provided.

Prior to the delivery by the Bond Trustee of any of the Series 2021 Bonds there shall be filed with and delivered to the Bond Trustee at least:

(a) A Certified Resolution authorizing the execution and delivery of the 2021 Agreement and this 2021 Bond Indenture and the issuance of the Series 2021 Bonds.

(b) Original executed counterparts of the 2021 Agreement, this 2021 Bond Indenture, Supplement Number 5, the Disbursement Agreement and the Tax Agreement.

(c) The Series 2021 Obligations, duly executed and authenticated and duly assigned and payable to the Bond Trustee.

(d) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its authorized signatory to authenticate and deliver each series of the Series 2021 Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer of a sum specified in such request and authorization, together with instructions as to the disposition of the proceeds of each series of the Series 2021 Bonds.

(e) An Opinion of Bond Counsel to the effect that the Series 2021 Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Tax Exempt Bonds is excludable from gross income for federal income tax purposes and that each of the instruments to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability.

(f) Notice to the Wisconsin Department of Revenue as required by Section 66.0304(5)(e) of the Wisconsin Statutes.

Section 2.08. Bond Trustee's Authentication Certificate. The Bond Trustee's authentication certificate upon the Series 2021 Bonds shall be substantially in the form and tenor hereinbefore provided. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Series 2021 Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Bond Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2021 Bonds issued hereunder.

Section 2.09. Intentionally Omitted.

Section 2.10. Intentionally Omitted.

Section 2.11. Cancellation and Destruction of Bonds By the Bond Trustee. Whenever any Outstanding Bonds shall be delivered to the Bond Trustee for the cancellation thereof pursuant to this 2021 Bond Indenture, upon payment of the principal amount or interest represented thereby or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and treated in accordance with the Bond Trustee's standard retention policies. In the event of destruction of the Series 2021 Bonds by the Bond Trustee, a certificate of destruction evidencing such destruction shall be furnished by the Bond Trustee to the Issuer and the Corporation upon written request.

Section 2.12. Book Entry Only System. The Series 2021 Bonds shall be initially issued in the form of a single fully registered Bond for each maturity of each series of the Series 2021 Bonds registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.13 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Trustee shall have no responsibility or obligation to any participant in DTC (a "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2021 Bonds, except as provided in this 2021 Bond Indenture. Without limiting the immediately preceding sentence, the Issuer and the Bond Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2021 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the registration books, of any notice with respect to the Series 2021 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder as shown in the registration books, of any amount with respect to principal of, premium, if any, or interest on, the Series 2021 Bonds. Notwithstanding any other provision of this 2021 Bond Indenture to the contrary, the Issuer and the Bond Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the registration books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Trustee shall pay all principal of, premium, if any, and interest on the Series 2021 Bonds only to or upon the order of the respective owners, as shown in the registration books as provided in this 2021 Bond Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, the Series 2021 Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the registration books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, pursuant to this 2021 Bond Indenture. Upon delivery by DTC to the Bond 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 in this 2021 Bond Indenture with respect to payment of interest to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this 2021 Bond Indenture shall refer to such new nominee of DTC.

Section 2.13. Successor Securities Depository; Transfers Outside Book Entry Only System.

(i) In the event that the Corporation determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC (the "DTC Letter") and that it is in the best interest of the Beneficial Owners of the Series 2021 Bonds that they be able to obtain certificated Bonds, the Issuer, at the direction of the Corporation, shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants, identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants, identified by DTC, having Bonds credited to their DTC accounts. In such event, the Series 2021 Bonds shall no longer be restricted to being registered in the registration books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this 2021 Bond Indenture.

(ii) Upon the written consent of 100% of the Beneficial Owners of the Series 2021 Bonds, the Bond Trustee, in accordance with the DTC Letter, shall withdraw the Series 2021 Bonds from DTC, and authenticate and deliver Bonds fully registered to the assignees of DTC or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the Persons requesting such withdrawal, authentication and delivery.

Section 2.14. Payments to Cede & Co. Notwithstanding any other provision of this 2021 Bond Indenture to the contrary, so long as any Series 2021 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, such Bond and all notices, transfers and deliveries with respect to such Bond shall be made and given, respectively, in the manner provided in the DTC Letter.

Section 2.15. Purchase and Transfer Restrictions. Notwithstanding any other provision hereof, each initial Beneficial Owner of the Series 2021 Bonds shall either be (i) a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended); or (ii) an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) that, in either case, has provided an "Investor Letter" in the form of Exhibit A hereto to the Issuer. Thereafter, neither the Series 2021 Bonds nor any beneficial ownership interest in the Series 2021 Bonds may be transferred by the Bondholder or any Beneficial Owner thereof except (A) in Authorized Denominations and (B) to any person that is either a "Qualified Institutional Buyer" or an "accredited investor" (and, in the case of any accredited investor who is not a Qualified Institutional Buyer, in a minimum principal amount of \$25,000 regardless of any lower minimum denomination authorized hereby). The Issuer may remove the foregoing restrictions without notice to or consent of any beneficial owner. At such time as the Corporation shall provide to the Issuer and the Bond Trustee written evidence to the effect that the Series 2021 Bonds have received an Investment Grade Rating, this Section shall be of no further force or effect and the Authorized Denominations of the Series 2021 Bonds shall be changed (if necessary) to denominations of \$5,000 or any

integral multiple thereof, in each case, notwithstanding whether at a future time the Series 2021 Bonds are no longer rated in such rating category.

[End of Article II]

ARTICLE III REVENUES AND FUNDS

Section 3.01. Application of Proceeds of Series 2021 Bonds. The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2021 Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

- (i) Transfer, to UMB Bank, National Association, as the bond trustee for the 2020 Bonds, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of this Bond Indenture, such amount to be used to redeem the Refunded 2020 Bonds.
- (ii) Deposit, into the Parity Debt Service Reserve Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).
- (iii) Deposit, into the 2021B-C Debt Service Reserve Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).
- (iv) Deposit, into the Cost of Issuance Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).
- (v) Deposit into the Interest Account of the Bond Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).
- (vi) Deposit, into the Project Fund, the balance of the proceeds of the Series 2021 Bonds.

Section 3.02. Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 Bond Fund” (the “Bond Fund”). There are hereby created by the Issuer and ordered established with the Bond Trustee three separate accounts within the Bond Fund to be designated as the Principal Account, the Interest Account and the Entrance Fee Redemption Account, respectively. Moneys on deposit in the Principal Account shall be used to pay the principal of and premium, if any, on the Series 2021 Bonds, when due and payable. Moneys on deposit in the Interest Account shall be used to pay the interest on the Series 2021 Bonds. Moneys on deposit in the Entrance Fee Redemption Account shall be used to pay the redemption price of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds on each Entrance Fee Redemption Date as provided in Section 5.10 hereof.

Section 3.03. Payments into the Bond Fund. (a) There shall be deposited into the Principal Account or the Interest Account, as and when received, (i) all payments on the Series 2021 Obligations, (ii) all moneys transferred to the Bond Fund from the Parity Debt Service Reserve Fund, (iii) all moneys transferred to the Bond Fund from the 2021B-C Debt Service Reserve Fund pursuant to Section 3.10 hereof, (iv) all other moneys required to be deposited therein pursuant to the 2021 Agreement, and (v) all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the Principal Account or the Interest Account. Any moneys transferred into the Principal Account or the Interest Account of the Bond Fund from the Parity Debt Service Reserve Fund or any Reserve Account of the 2021B-C Debt Service Reserve Fund shall be (i) held by the Bond Trustee separate and apart from any other moneys in such Account of the Bond Fund and (ii) applied solely to payment of principal of and interest on the Series 2021A Bonds or the series of 2021B-C Bonds related to such Reserve Account, as applicable. There also shall be retained or deposited in the Principal Account or the Interest Account all interest and other income received on investments or moneys required to be transferred thereto, in

accordance with Section 6.02 hereof. The Issuer hereby covenants and agrees that so long as any of the Series 2021 Bonds are Outstanding it will deposit, or cause to be deposited, into the Principal Account or the Interest Account for its account sufficient sums from revenues and receipts derived from the 2021 Agreement promptly to meet and pay the principal of, premium, if any, and interest on the Series 2021 Bonds as the same become due and payable.

(b) There shall be deposited into the Entrance Fee Redemption Account all moneys received by the Bond Trustee from the Master Trustee on each Entrance Fee Transfer Date pursuant to Section 2.01(b) of Supplement Number 5 for deposit therein. When all of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds have been paid in full, any money remaining in the Entrance Fee Redemption Account shall be transferred by the Bond Trustee to the Master Trustee to be deposited in the Entrance Fee Fund, or, if the Entrance Fee Fund has been closed, will be delivered to the Corporation, and the Entrance Fee Redemption Account shall be closed.

Section 3.04. Administration Expense Fund; Administration Expenses. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 Administration Expense Fund” (the “Administration Expense Fund”). Moneys shall be deposited in the Administration Expense Fund pursuant to Section 5.7 of the 2021 Agreement (other than Bond Trustee’s fees and expenses that may be retained by the Bond Trustee) and such moneys shall be disbursed as directed in writing by the Corporation to the Issuer or other parties to which Administration Expenses are owed.

The Bond Trustee shall transfer all Administration Expenses owed to or for the benefit of the Issuer promptly upon receipt thereof from the Corporation to the Issuer at the address specified herein for notice to Issuer or as otherwise directed by Issuer; except that payments of the Annual Fee shall be remitted to Issuer at the times specified in the 2021 Agreement.

Section 3.05. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Principal Account or the Interest Account of the Bond Fund to pay the principal of, premium, if any, and interest on the Series 2021 Bonds as the same come due and payable, which authorization and direction the Bond Trustee hereby accepts. If on any Interest Payment Date there are insufficient funds in the Bond Fund with which to pay the principal of and interest on the Series 2021 Bonds, the Bond Trustee shall deposit or cause to be deposited moneys into the Bond Fund from the following funds in the following order of priority: (1) the Working Capital Fund created under Supplement Number 5, (2) the Phase II Operating Reserve Fund created under Supplement Number 5, (3) the Parity Debt Service Reserve Fund and each Reserve Account within the 2021B-C Debt Service Reserve Fund, pro rata based on the amount of principal of or interest on each series of Series 2021 Bonds to be paid on such Interest Payment Date.

Section 3.06. Project Fund.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 Project Fund” (the “Project Fund”). Moneys in the Project Fund shall be used to pay Costs of the 2021 Project or as hereinafter provided. Under no circumstances shall moneys in the Project Fund be used to pay Cost of Issuance.

(b) The Bond Trustee shall disburse moneys in the Project Fund as provided in Article IV of the 2021 Agreement.

(c) Payments from the Project Fund shall be made in accordance with this Article III and Article IV of the 2021 Agreement. Upon receipt of the required certificates, the Bond Trustee shall pay the amount requested to the extent that the Corporation is entitled to payment pursuant to the 2021 Agreement and the Disbursement Agreement.

(d) If an Event of Default occurs under this 2021 Bond Indenture no moneys may be paid out of the Project Fund by the Bond Trustee during the continuance of such an Event of Default and the moneys therein shall be applied in accordance with Section 8.05; provided, however, that if such an Event of Default shall be waived and such declaration shall be rescinded in writing by Majority Bondholders, the full amount of any such remaining moneys in the Project Fund may again be disbursed by the Bond Trustee in accordance with the provisions of the 2021 Agreement and this 2021 Bond Indenture.

Section 3.07. Use of Moneys in the Entrance Fee Redemption Account, Principal Account and Interest Account. Except as provided in Sections 3.14 and 8.05 hereof, moneys in the Entrance Fee Redemption Account shall be used solely for the payment of the principal of and interest on the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds. The Series 2021C Bonds shall be redeemed in full prior to any redemption of the Series 2021B-2 Bonds, and the Series 2021B-2 Bonds shall be redeemed in full prior to any redemption of the Series 2021B-1 Bonds. Except as provided in Sections 3.14 and 8.05 hereof, moneys in the Principal Account or the Interest Account shall be used solely for the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds on a pro rata basis

Section 3.08. Creation and Custody of the 2021B-C Debt Service Reserve Fund.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the “Public Finance Authority Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) 2021B-C Debt Service Reserve Fund” (the “2021B-C Debt Service Reserve Fund”).

(b) There shall be created three accounts within the Debt Service Reserve Fund: (i) a Series 2021B-1 Account, (ii) a Series 2021B-2 Account, and (iii) a Series 2021C Account.

(c) Moneys on deposit in the 2021B-C Debt Service Reserve Fund shall be used to provide a reserve for the payment of the principal of and interest on the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds (collectively referred to as the “2021B-C Bonds”).

(d) The 2021B-C Debt Service Reserve Fund shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Bond Trustee to transfer sufficient moneys from the 2021B-C Debt Service Reserve Fund for deposit to the Bond Fund to pay the principal of and interest on the 2021B-C Bonds for the purposes herein described, which authorization and direction the Bond Trustee hereby accepts.

Section 3.09. Payments Into the 2021B-C Debt Service Reserve Fund.

In addition to the deposits required by Section 3.01 hereof, there shall be deposited into the 2021B-C Debt Service Reserve Fund any Debt Service Reserve Fund Obligations delivered by the Corporation to the Bond Trustee pursuant to Section 5.6 of the 2021 Agreement. In addition, there shall be deposited into the 2021B-C Debt Service Reserve Fund all moneys required to be transferred thereto pursuant to Section 6.02 hereof, and all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the 2021B-C Debt Service Reserve Fund. There shall also be retained in the 2021B-C Debt Service Reserve Fund all interest and other income received on investments of 2021B-C Debt Service Reserve Fund moneys to the extent provided in Section 6.02 hereof.

Section 3.10. Use of Moneys in the 2021B-C Debt Service Reserve Fund.

(a) Except as provided herein and in Section 3.14 hereof, moneys in the 2021B-C Debt Service Reserve Fund shall be used solely for the payment of the principal of and interest on the Series 2021B-C Bonds in the event moneys in the Bond Fund, the Working Capital Fund and the Phase II Operating Reserve Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise. The monies in the Series 2021B-1 Account shall only be available to pay debt service on the Series 2021B-1 Bonds, the monies in the Series 2021B-2 Account shall only be available to pay debt service on the Series 2021B-2 Bonds and the monies in the Series 2021C Account shall only be available to pay debt service on the Series 2021C Bonds.

(b) Upon the occurrence of an Event of Default of which the Bond Trustee is deemed to have notice hereunder and the election by the Bond Trustee of the remedy specified in Section 8.02(a) hereof, any Debt Service Reserve Fund Obligations in the 2021B-C Debt Service Reserve Fund shall, subject to the provisions of Section 3.14 hereof, be transferred by the Bond Trustee to the Principal Account and applied in accordance with Section 8.05 hereof. In the event of the redemption of any series of 2021B-C Bonds, any Debt Service Reserve Fund Obligations on deposit in the 2021B-C Debt Service Reserve Fund in excess of the 2021B-C Debt Service Reserve Fund Requirement on the 2021B-C Bonds to be Outstanding immediately after such redemption shall, subject to the provisions of Section 3.14 hereof, be transferred to the Principal Account and applied to the payment of the principal of the series of 2021B-C Bonds to be redeemed. On June 1 and December 1 in each year, any earnings on the Debt Service Reserve Fund Obligations on deposit in the 2021B-C Debt Service Reserve Fund that are in excess of the 2021B-C Debt Service Reserve Fund Requirement shall be transferred into the Interest Account of the Bond Fund.

(c) On the final maturity date of any series of 2021B-C Bonds, any Debt Service Reserve Fund Obligations in the 2021B-C Debt Service Reserve Fund in excess of the 2021B-C Debt Service Reserve Fund Requirement after giving effect to such maturity shall be used to pay the principal of and interest on such series of 2021B-C Bonds on such final maturity date.

(d) If at any time moneys in the 2021B-C Debt Service Reserve Fund are sufficient to pay the principal or redemption price of all 2021B-C Bonds then Outstanding, the Bond Trustee shall use the moneys on deposit in the 2021B-C Debt Service Reserve Fund to pay such principal or redemption price of the 2021B-C Bonds.

(e) Notwithstanding the foregoing, upon an Event of Default, the Bond Trustee shall apply moneys held in the 2021B-C Debt Service Reserve Fund as directed in writing by the Beneficial Owner or Beneficial Owners of a majority in aggregate principal amount of the 2021B-C Bonds.

Section 3.11. Nonpresentment of Bonds. If the Series 2021 Bonds are no longer in book entry form, in the event that any Series 2021 Bonds shall not be presented for payment when the principal thereof or interest thereon becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof shall have been deposited into the Bond Fund or otherwise made available to the Bond Trustee for deposit therein as provided in Section 3.03 hereof, all liability of the Issuer to the Beneficial Owner or Beneficial Owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Beneficial Owner or Beneficial Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this 2021 Bond Indenture or on, or with respect to, said Bond, and all such funds shall remain uninvested. If any Series 2021 Bond shall not be presented for payment within the period of two years following the date of final maturity of such Bond, the Bond Trustee shall, to the extent required by law, transfer such funds to the state treasury of the state in which the

designated office of the Bond Trustee is located, in which case the Beneficial Owner of such Bonds shall look only to such state for payment, or, in the alternative, to the extent permitted by law, the Bond Trustee shall, upon request in writing by the Corporation, return such funds to the Corporation free of any trust or lien and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Corporation. In either event, the Bond Trustee shall have no further responsibility with respect to such moneys or payment of such Bonds. Thereafter, the Bondholders shall be entitled to look only to the Corporation for payment, and then only to the extent of the amount so repaid by the Bond Trustee. The Corporation shall not be liable for any interest on any sums paid to it.

Section 3.12. Bond Trustee's and Paying Agents' Fees, Charges, and Expenses. Pursuant to the provisions of the 2021 Agreement, the Corporation has agreed to pay to the Bond Trustee and to each Paying Agent, commencing with the effective date of the 2021 Agreement and continuing until the principal of, premium, if any, and interest on the Series 2021 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this 2021 Bond Indenture, the reasonable and necessary fees and expenses (including attorneys' fees) of the Bond Trustee and each Paying Agent, as and when the same become due, upon the submission by the Bond Trustee and each Paying Agent of a statement therefor.

Section 3.13. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee under any provision of this 2021 Bond Indenture (except moneys in the Rebate Fund) shall be held by the Bond Trustee in trust for the purposes specified in this 2021 Bond Indenture, and except for moneys deposited with or paid to the Bond Trustee for the redemption of Bonds for which the notice of redemption has been duly given, shall, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 3.14. Repayment to the Corporation from the Funds. Any amounts remaining in the Bond Fund, the 2021B-C Debt Service Reserve Fund or the Project Fund after payment in full of the Series 2021 Bonds (or after making provision for such payment), the fees and expenses of the Bond Trustee and the Paying Agents (including attorneys' fees, if any), the Administration Expenses, and all other amounts required to be paid hereunder and under the 2021 Agreement shall be paid to the Corporation upon the termination of the 2021 Agreement.

Section 3.15. Rebate Fund. A special Rebate Fund is hereby established by the Issuer. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation the Bondholders. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section. The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of this 2021 Bond Indenture. Notwithstanding the foregoing, the Bond Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder. Moneys in the Rebate Fund will be held in trust by the Bond Trustee and will be held for future payment to the United States of America as directed by the Corporation and as contemplated under the provisions of the Tax Agreement.

Section 3.16. Administrative Cost Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Public Finance Authority Revenue Bonds (Searstone CCRC Project) Administrative Cost Fund" (the "Administrative Cost Fund"). The Bond Trustee shall deposit the additional payments which the Corporation notifies the Bond Trustee is for payment of the Issuer's Annual Fee pursuant to Section 5.7 of the 2021 Agreement into the Administrative Cost Fund and promptly upon receipt thereof from the Corporation, disburse to the Issuer at the address provided in Section 11.09 hereof.

Section 3.17. Cost of Issuance Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 Cost of Issuance Fund” (the “Cost of Issuance Fund”). The Bond Trustee shall disburse moneys in the Cost of Issuance Fund as provided in Article IV of the 2021 Agreement. Moneys in the Cost of Issuance Fund may be used only for payment of the Cost of Issuance. On April 30, 2022, any moneys remaining in the Cost of Issuance Fund shall be transferred to the Project Fund, and thereafter no such moneys shall be used to pay Costs of Issuance. The Cost of Issuance Fund shall then be closed.

[End of Article III]

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01. Performance of Covenants: Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this 2021 Bond Indenture, in any and every Series 2021 Bond and in all proceedings of the Board of Directors pertaining hereto; provided, however, that except for the covenant of the Issuer set forth in Section 4.02 hereof relating to payment of the Series 2021 Bonds, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Issuer shall have received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer covenants that it is duly authorized under the laws of the State (including particularly and without limitation the Act and the Amended and Restated Joint Exercise of Powers Agreement, dated September 28, 2010 (the “Joint Exercise Agreement”), by and among Adams County, Wisconsin; Bayfield County, Wisconsin; Marathon County, Wisconsin; Waupaca County, Wisconsin; and the City of Lancaster, Wisconsin or any other political subdivision designated from time to time as a “Member” of the Issuer pursuant to the Joint Exercise Agreement) to issue the Series 2021 Bonds and to execute this 2021 Bond Indenture, and to pledge the revenues and receipts hereby pledged, and to assign its rights under and pursuant to the 2021 Agreement and the Series 2021 Obligations in the manner and to the extent herein set forth, that all action on its part and to the extent herein set forth, that all action on its part for the issuance of the Series 2021 Bonds and the execution and delivery of this 2021 Bond Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Series 2021 Bonds in the hands of the Beneficial Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import hereof, except as enforcement thereof and hereof may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and by the application of general principles of equity, if such remedies are pursued.

Section 4.02. Payments of Principal, Premium, If Any, and Interest. The Issuer will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Series 2021 Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from revenues and other amounts derived from the Series 2021 Obligations, and from the other security pledged hereby, which revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Series 2021 Bonds or in this 2021 Bond Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 4.03. Supplemental Indentures; Filings. The Issuer will execute and deliver all indentures supplemental hereto, and will cause all financing statements relating to this 2021 Bond Indenture and any indentures supplemental hereto, to be filed in each office required by law in order to publish notice of the liens created by this 2021 Bond Indenture and the 2021 Agreement. Provided the Bond Trustee timely receives a copy of the original financing statements filed, the Bond Trustee, at the Corporation’s expense, will cause all continuation statements to any financing statement or continuation statement as may be required, at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and all rights of the Bond Trustee hereunder; provided that unless otherwise notified in writing by the Corporation or Issuer, the Bond Trustee shall be protected in relying upon the original financing statements in filing any continuation statements hereunder.

The Bond Trustee shall not be responsible for and makes no representation as to existence, genuineness, value or protection of any collateral, for the legality, effectiveness or sufficiency of any

security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Series 2021 Bonds.

Section 4.04. Lien of Bond Indenture. The Issuer hereby agrees not to create any lien having priority or preference over the lien of this 2021 Bond Indenture upon the Trust Estate or any part thereof, other than the security interest granted by it to the Bond Trustee, except as otherwise specifically provided in Article VIII hereof. The Issuer agrees that no obligations the payment of which is secured by payments or other moneys or amounts derived from the 2021 Agreement and the other sources provided herein will be issued by it.

Section 4.05. Rights Under the 2021 Agreement. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the 2021 Agreement. The Issuer agrees that wherever in the 2021 Agreement it is stated that the Issuer will notify the Bond Trustee, give the Bond Trustee some right or privilege, or in any way attempts to confer upon the Bond Trustee the ability for the Bond Trustee to protect the security for payment of the Series 2021 Bonds, that such part of the 2021 Agreement shall be as though it were set out in this 2021 Bond Indenture in full.

The Issuer agrees that the Bond Trustee as assignee of the 2021 Agreement may enforce, in its name or in the name of the Issuer, all rights of the Issuer (except those rights to indemnification and payment under Sections 5.7, 7.5 and 9.5 thereof) and all obligations of the Corporation under and pursuant to the 2021 Agreement for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 4.06. Tax Covenants.

(a) The Issuer covenants and agrees that until the final maturity of the Tax Exempt Bonds of any series, based upon the Corporation's covenants in Section 4.9 of the 2021 Agreement, it will not take any action, use any money on deposit in any fund or account maintained in connection with the Tax Exempt Bonds of such series, whether or not such money was derived from the proceeds of the sale of the Tax Exempt Bonds of such series or from any other source, in a manner that would cause the Tax Exempt Bonds to be arbitrage bonds, within the meaning of Section 148 of the Code. In the event the Corporation notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Bond Trustee pursuant to this 2021 Bond Indenture, or to use such moneys in any certain manner to avoid the Tax Exempt Bonds of any series being considered arbitrage bonds, the Issuer at the written direction and expense of the Corporation shall deliver to the Bond Trustee appropriate written instructions of the Issuer, in which event the Bond Trustee shall take such action as instructed to restrict or limit the yield on such investment or to use such moneys in accordance with such instructions.

(b) The Issuer shall not knowingly use any proceeds of the Tax Exempt Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take any other action or actions, that would result in any of the Tax Exempt Bonds being treated other than as an obligation described in Section 103(a) of the Code.

(c) The Issuer will not knowingly use any portion of the proceeds of the Tax Exempt Bonds, including any investment income earned on such proceeds, directly or indirectly, to make or finance loans to Persons who are not Exempt Persons. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a loan to a Person who is not an Exempt Person.

(d) The Issuer will not knowingly take any action that would result in all or any portion of the Tax Exempt Bonds being treated as federally guaranteed within the meaning of Section 149(b)(2) of the Code.

(e) For purposes of this Section, the Issuer's compliance shall be based solely on acts or omissions by the Issuer, and no acts, omissions or directions of the Corporation, the Bond Trustee or any other Persons shall be attributable to the Issuer.

Section 4.07. Change in Law. To the extent that published rulings of the Internal Revenue Service, or amendments to the Code or the Regulations modify the covenants of the Issuer that are set forth in this 2021 Bond Indenture or that are necessary for interest on any series of the Tax Exempt Bonds to be excludable from gross income for federal income tax purposes, the Issuer, upon receiving the written Opinion of Bond Counsel to such effect, will comply, at the expense of the Corporation, with such modifications and direct the Bond Trustee to take such action as may be required to comply with such modifications.

[End of Article IV]

**ARTICLE V
REDEMPTION OF BONDS**

Section 5.01. Optional Redemption of Series 2021 Bonds.

(a) The Series 2021A Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20__ through May 31, 20__	[104%
June 1, 20__ through May 31, 20__	103%
June 1, 20__ through May 31, 20__	102%
June 1, 20__ through May 31, 20__	101%]
June 1, 20__ and thereafter	100%

(b) The Series 2021B-1 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on ____ 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021B-1 Bonds to be redeemed, together with accrued interest to the redemption date, but only after all of the Series 2021B-2 Bonds and Series 2021C Bonds have been redeemed.

(c) The Series 2021B-2 Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on ____ 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021B-2 Bonds to be redeemed, together with accrued interest to the redemption date, but only after all of the Series 2021C Bonds have been redeemed. The Series 2021B-2 Bonds shall be redeemed prior to the optional redemption of any Series 2021B-1 Bonds.

(d) The Series 2021C Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on ____ 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of such Series 2021C Bonds to be redeemed, together with accrued interest to the redemption date. The Series 2021C Bonds shall be redeemed prior to the optional redemption of any Series 2021B-2 Bonds and Series 2021B-1 Bonds.

Upon the delivery of the above-referenced written optional redemption direction of the Corporation to the Bond Trustee, the Issuer shall be deemed, without any action on its part, to have exercised its option to redeem any of the Series 2021 Bonds, as applicable, under this section.

Section 5.02. Sinking Fund Redemption.

(a) The Series 2021A Bonds maturing on June 1, 20__, 20__ and 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

(i) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(ii) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(iii) The \$_____ Series 2021A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(b) On or before the thirtieth day prior to each sinking fund payment date, the Bond Trustee shall proceed to select for redemption (by lot in such manner as the Bond Trustee may determine) from all Series 2021A Bonds Outstanding maturing on June 1, 20__, 20__ or 20__, as the case may be, a principal amount of such Series 2021A Bonds equal to the Aggregate Principal Amount of such Series 2021A Bonds redeemable with the required sinking fund payment, and shall

call such Series 2021A Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next June 1, and give notice of such call. At the option of the Corporation to be exercised by delivery of a written certificate to the Bond Trustee on or before the forty fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Series 2021A Bonds or portions thereof maturing on June 1, 20__, 20__ or 20__, as the case may be, in an Aggregate Principal Amount desired by the Corporation or (ii) specify a principal amount of Series 2021A Bonds or portions thereof maturing on June 1, 20__, 20__ or 20__, as the case may be, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Bond Trustee at the request of the Issuer and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 2021A Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at 100% of the principal amount thereof against the obligation to redeem Series 2021A Bonds on the next succeeding or any other sinking fund redemption date designated in writing by the Corporation. Any excess shall be credited against the next sinking fund redemption obligation to redeem Series 2021A Bonds. In the event that the Corporation shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Series 2021A Bonds or portions thereof to be canceled.

Section 5.03. Method of Selection of Bonds in Case of Partial Redemption.

(a) In the event that less than all of the Outstanding Series 2021 Bonds or portions thereof of a series are to be redeemed as provided in Sections 5.01, 5.08 or 5.10 hereof, the Series 2021 Bonds to be redeemed shall be selected first, from any Outstanding Series 2021C Bonds, then from any Outstanding Series 2021B-2 Bonds, then from any Outstanding Series 2021B-1 Bonds and then from any Outstanding Series 2021A Bonds.

(b) In the event that less than all of the Outstanding Series 2021A Bonds or portions thereof are to be redeemed as provided in Sections 5.01 or 5.08 hereof, the Corporation may select the particular maturities of such series to be redeemed. If less than all Series 2021A Bonds or portions thereof of a single maturity are to be redeemed, they shall be selected by the Securities Depository in accordance with its procedure or by lot in such manner as the Bond Trustee may determine.

(c) Series 2021B-1 Bonds shall be redeemed pro rata among the Registered Owners of Series 2021B-1 Bonds, Series 2021B-2 Bonds shall be redeemed pro rata among the Registered Owners of Series 2021B-2 Bonds and Series 2021C Bonds shall be redeemed pro rata among the Registered Owners of Series 2021C Bonds.

(d) If a Series 2021 Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Series 2021 Bond may be redeemed, but Series 2021 Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Series 2021 Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Section 5.04. Notice of Redemption. Series 2021 Bonds shall be called for redemption by the Bond Trustee as herein provided upon receipt by the Bond Trustee not more than sixty (60) nor less than thirty (30) days prior to the redemption date of a certificate of the Corporation specifying the principal amount of Series 2021 Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this 2021 Bond Indenture pursuant to which such Series 2021 Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the redemption of Series

2021 Bonds pursuant to the sinking fund requirements provided in Section 5.02 hereof or pursuant to the mandatory Entrance Fee Redemption provided in Section 5.10 hereof, which shall require that the Bond Trustee receive notice not less than ten (10) days prior to the redemption date, and such Series 2021 Bonds shall be called for redemption by the Bond Trustee without the necessity of any action by the Corporation or the Issuer. In case of every redemption, the Bond Trustee shall cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the owners of the Series 2021 Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration books (other than the Entrance Fee Redemption of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds, as provided in Section 5.10 hereof), in each case not more than sixty (60) nor less than thirty (30) days (and in the case of Entrance Fee Redemption of the Series 2021C Bonds, the Series 2021B-2 Bonds and the Series 2021B-1 Bonds pursuant to Section 5.10 hereof, ten (10) days prior to the redemption date). In addition, notice of redemption shall be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any owner of \$1,000,000 or more in principal amount of Series 2021 Bonds and (B) to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Series 2021 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption shall be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any owner of Series 2021 Bonds selected for redemption that has not surrendered the Series 2021 Bonds called for redemption, at the address as the same shall last appear upon the registration books.

Notwithstanding the foregoing, upon the written direction of the Corporation, the notice of redemption for optional redemption pursuant to Section 5.01 hereof shall contain a statement to the effect that the redemption of the Series 2021 Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2021 Bonds to be redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Issuer shall not be required to redeem such Series 2021 Bonds and such Series 2021 Bonds shall not become due and payable.

All notices of redemption shall state:

- (a) the redemption date,
- (b) the redemption price,
- (c) the identification, including complete designation (including series) and issue date of the Series 2021 Bonds and the CUSIP number (and in the case of partial redemption, certificate number and the respective principal amounts, interest rates and maturity dates) of the Series 2021 Bonds to be redeemed,
- (d) that on the redemption date the redemption price will become due and payable upon each such Series 2021 Bonds, and that interest thereon shall cease to accrue from and after said date,
- (e) the name and address of the Bond Trustee and any paying agent for such Series 2021 Bonds, including the place where such Series 2021 Bonds are to be surrendered for payment of the redemption price and the name and phone number of a contact person at such address.

Provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2021 Bonds.

Section 5.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the business day prior to the redemption date specified in the notice of redemption, an amount of money sufficient to redeem all Series 2021 Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Bond Trustee. If at the time of mailing of notice of any optional redemption moneys sufficient to redeem all of the Series 2021 Bonds called for redemption are not on deposit with the Bond Trustee, such notice may state that is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. On the redemption date the principal amount of each Series 2021 Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article V, then, notwithstanding that any Series 2021 Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Series 2021 Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Series 2021 Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof.

Section 5.06. Cancellation. All Series 2021 Bonds which have been redeemed shall be cancelled by the Bond Trustee and retained as provided in Section 2.11 hereof.

Section 5.07. Partial Redemption of Fully Registered Bonds. Upon surrender of any fully registered Bond for redemption in part only, the Issuer shall execute and the Bond Trustee shall authenticate and deliver to the owner thereof, at the expense of the Corporation, a new Bond or Bonds of the same series and maturity of Authorized Denominations in an Aggregate Principal Amount equal to the unredeemed portion of the Bond surrendered.

Section 5.08. Extraordinary Redemption. The Series 2021 Bonds shall be subject to optional redemption by the Issuer at the direction of the Corporation in the event of (a) or (b) below and subject to mandatory redemption without such direction in the case of (c) below prior to their maturities, in whole or in part (proportionally among each series) at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date, plus the unamortized amount of any original issue premium on the Series 2021 Bonds being redeemed with respect to the events described in (a) or (b) below and, with respect to a Determination of Taxability described in (c) below, plus the greater of (1) the unamortized amount of any original issue premium on the Tax Exempt Bonds being redeemed and (2) three percent (3%) of the principal amount of such Tax Exempt Bonds, as follows:

(a) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount (as defined in the Master Indenture) and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or

(b) as a result of any changes in the Constitution or laws of the State or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the 2021 Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the 2021 Agreement; or

(c) with respect to the Tax Exempt Bonds, upon the occurrence of a Determination of Taxability.

Section 5.09. Purchase in Lieu of Redemption. If any Series 2021 Bond is called for optional redemption in whole or in part, the Issuer shall, at the direction of the Corporation, elect to have such Series 2021 Bond purchased in lieu of redemption.

Purchase in lieu of redemption shall be available to all Series 2021 Bonds called for optional redemption or for such lesser portion of such Series 2021 Bonds as constitute Authorized Denominations. Purchase in lieu of redemption shall also be available to all Series 2021 Bonds called for sinking fund redemption in accordance with any amortization schedule or sinking fund requirements set forth in Section 5.02 hereof or in the Series 2021 Bonds. The Issuer shall, at the direction of the Corporation, direct the Bond Trustee to purchase all or such lesser portion of the Series 2021 Bonds so called for redemption. Any such direction to the Bond Trustee must be in writing, state either that all the Series 2021 Bonds called for redemption are to be purchased or, if less than all of the Series 2021 Bonds called for redemption are to be purchased, identify those Series 2021 Bonds to be purchased by series, maturity date and outstanding principal amount in Authorized Denominations, and be received by the Bond Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Bond Trustee shall purchase such Series 2021 Bonds on the date which otherwise would be the redemption date of such Series 2021 Bonds. Any of the Series 2021 Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the 2021 Bond Indenture on such redemption date.

On or prior to the scheduled redemption date, any direction given to the Bond Trustee shall, at the direction of the Corporation, be withdrawn by the Issuer by written notice to the Bond Trustee. Subject generally to this 2021 Bond Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Series 2021 Bonds shall occur.

The purchase shall be made for the account of the Corporation or its designee.

To pay the purchase price of such Series 2021 Bonds, the Bond Trustee shall use such funds (A) deposited by the Corporation with the Bond Trustee for such purpose and (B) funds, if any, held under the 2021 Bond Indenture that the Bond Trustee would have used to pay the outstanding principal of, accrued and interest on and the redemption premium, if any, that would have been payable on the redemption of such Series 2021 Bonds on the scheduled redemption date. The Bond Trustee shall not purchase the Series 2021 Bonds pursuant to the above provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Bond Trustee, or such moneys are deposited but are not available.

No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under the Series 2021 Bonds).

Section 5.10. Entrance Fee Redemption.

(a) The Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds are subject to redemption on each Entrance Fee Redemption Date from funds on deposit in the Entrance Fee Redemption Account at a redemption price equal to the principal amount of Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds being redeemed or purchased, plus the interest accrued thereon through the date of redemption. Funds on deposit in the Entrance Fee Redemption Account shall be applied first to redeem the Series 2021C Bonds, second to redeem the Series 2021B-2 Bonds and third to redeem the Series 2021B-1 Bonds. Redemption of the Series 2021B-2 Bonds from funds on deposit in the Entrance Fee Redemption Account shall not begin until the Series 2021C Bonds have been paid in full, and redemption of the Series 2021B-1 Bonds

from funds on deposit in the Entrance Fee Redemption Account shall not begin until the Series 2021B-2 Bonds have been paid in full.

(b) The principal amount of Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds to be redeemed on an Entrance Fee Redemption Date shall be equal to the largest Authorized Denomination of the Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds for which the redemption price thereof is on deposit in the Entrance Fee Redemption Account on the day following the immediately preceding Entrance Fee Transfer Date.

(c) As soon as practicable after each Entrance Fee Redemption Date pursuant to this Section, the Bond Trustee shall give notice to the Master Trustee of the principal amount of the Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds redeemed on such date, together with the principal amount of the Series 2021B-1 Bonds, Series 2021B-2 Bonds or Series 2021C Bonds that remains Outstanding after such redemption.

[End of Article V]

ARTICLE VI INVESTMENTS

Section 6.01. Investment of Funds. Any moneys held as part of the Bond Fund, 2021B-C Debt Service Reserve Fund, Project Fund, or Costs of Issuance Fund shall be invested or reinvested by the Bond Trustee at the written request and direction of the Corporation (upon which the Bond Trustee is entitled to rely) in Permitted Investments. Absent such written request and direction, the Bond Trustee shall invest and re-invest in Government Obligations or a money market fund which constitutes a Permitted Investment described in clause (i) of the definition thereof. The funds in the Administration Expense Fund and Administrative Costs Fund shall be held un-invested. All Permitted Investments shall be either subject to redemption at any time at a fixed value at the option of the owner thereof or shall mature or be marketable not later than the business day prior to the date on which the proceeds are expected to be expended. For the purpose of any investment or replacement under this Section, the Permitted Investments shall be deemed to mature at the earliest date on which the Corporation is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. The Bond Trustee may make any and all investments permitted by the provisions of this Section through its trust department. In order to comply with the directions of the Corporation, the Bond Trustee may sell, or present for redemption, or may otherwise cause liquidation prior to their maturities, any of the obligations in which funds have been invested, and the Bond Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event of any need for funds, the Corporation may instruct the Bond Trustee, in lieu of a liquidation or redemption of investments in the fund or account needing funds, to exchange such investment for investments in another fund or account that may be liquidated at no, or at reduced, loss. The Bond Trustee shall be under no liability for interest on any moneys received hereunder unless specifically agreed to in writing.

Section 6.02. Allocation and Transfers of Investment Income. Any investments in any Fund shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. The Bond Trustee shall not be liable for any loss or penalty resulting from any such investment made in accordance with any permitted direction by the Obligated Group Representative or for the Series 2021 Bonds becoming "arbitrage bonds" by reason of any such investment. Any interest or other gain from any fund from any investment or reinvestment pursuant to Section 6.01 hereof shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Costs of Issuance Fund or the Project Fund shall be credited to the Interest Account of the Bond Fund.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Principal Account and the Interest Account of the Bond Fund shall be credited at least semiannually to the Interest Account unless a deficiency exists in the Parity Debt Service Reserve Fund or any Reserve Account of the 2021B-C Debt Service Reserve Fund, in which case such interest or other gain shall be paid into such fund or account (or, if a deficiency exists in more than one such fund or account, pro rata into such fund and accounts) forthwith.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the 2021B-C Debt Service Reserve Fund shall be credited to the 2021B-C Debt Service Reserve Fund if a deficiency exists therein at that time. If a deficiency does not exist in the 2021B-C Debt Service Reserve Fund at that time, such interest or other gain on other amounts paid into the 2021B-C Debt Service Reserve Fund shall be credited to the Interest Account of the Bond Fund at least semiannually.

The Bond Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in any fund is insufficient for the purposes of such fund.

Section 6.03. Valuation of Permitted Investments. Accounting and valuation of Permitted Investments in any Fund or Account will be performed as follows:

(a) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts and disbursements of Permitted Investments in any Fund and Account covering such period.

(b) The Bond Trustee shall also furnish on or before January 15 and July 15 of each year a statement of the assets contained in each Fund and Account. Assets will be presented in such statements at market value as of December 31 and June 30, respectively, determined in accordance with the normal valuation procedures of the Bond Trustee.

(c) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts of the interest earned on Permitted Investments in any Fund and account covering such period.

[End of Article VI]

ARTICLE VII DISCHARGE OF BOND INDENTURE

Section 7.01. Discharge of the 2021 Bond Indenture. If, when the Series 2021 Bonds secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this 2021 Bond Indenture and the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Series 2021 Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder (including but not limited to the fees and expenses of the Bond Trustee and any Paying Agent, in accordance with Section 3.12 hereof), then the right, title and interest of the Bond Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the written request of the Issuer or of the Corporation, and upon receipt of an Opinion of Counsel to the effect that all conditions precedent herein provided relating to the satisfaction and discharge of this 2021 Bond Indenture have been complied with, the Bond Trustee shall execute such documents as may be reasonably required by the Issuer and shall turn over to the Corporation any surplus in the Bond Fund, 2021B-C Debt Service Reserve Fund and Project Fund.

All Outstanding Bonds of any one or more series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Section if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Bond Trustee in form satisfactory to it irrevocable written instructions to give on a date in accordance with the provisions of Section 5.04 hereof notice of redemption of such Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.04 hereof, (ii) there shall have been deposited with the Bond Trustee (or another Paying Agent) either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, or any other Person other than the holder thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Bond Trustee or any Paying Agent at the same time (including the Bond Fund and the 2021B-C Debt Service Reserve Fund), shall be sufficient, as evidenced by a verification report containing the opinion of an independent certified public accountant, to pay when due the principal of, premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (iii) there shall have been submitted to the Issuer and the Bond Trustee an opinion of Bond Counsel to the effect that the defeasance of the Series 2021 Bonds in accordance with this Article will not cause interest on the Series 2021 Bonds to become includable in gross income for federal income tax purposes and (iv) in the event that said Bonds are not by their terms subject to redemption within the next forty-five (45) days, the Corporation shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.04 hereof, a notice to the owners of such Bonds that the deposit required by subclause (ii) above has been made with the Bond Trustee (or another depository) and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds. Neither the Government Obligations nor moneys deposited with the Bond Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; provided any such cash received from such principal or interest payments on such Government Obligations deposited with the Bond Trustee, if not then needed for such purpose, shall, at the written direction of the Corporation, either (1) be reinvested, to the extent practicable, in Government Obligations of the type described in clause (ii) of this paragraph bearing the highest rating available maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be or (2) be used to pay principal and/or interest on the Series

2021 Bonds. At such time as any Series 2021 Bond shall be deemed paid as aforesaid, it shall no longer be secured by or entitled to the benefits of this 2021 Bond Indenture, except for the purpose of any payment from such moneys or Government Obligations deposited with the Bond Trustee and the purpose of transfer and exchange pursuant to Section 2.05 hereof.

The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Bond Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable and necessary expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

[End of Article VII]

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01. Events of Default. If any of the following events occur, it is hereby defined as and shall be deemed an "Event of Default":

- (a) Default in the payment of the principal or premium, if any, on any Series 2021 Bond when the same shall become due and payable, whether at the stated maturity thereof, or upon proceedings for redemption or as required by any amortization schedule or sinking fund requirements set forth in this 2021 Bond Indenture or in the Series 2021 Bonds.
- (b) Default in the payment of any installment of interest on any Series 2021 Bond when the same shall become due and payable.
- (c) An event of default under any of the Bond Documents.
- (d) Failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions in its part in this 2021 Bond Indenture or in the Series 2021 Bonds contained, which failure shall continue for a period of 60 days after written notice specifying such failure and requesting that it be remedied, is given to the Issuer and the Corporation by the Bond Trustee or to the Issuer, the Corporation and to the Bond Trustee by the Beneficial Owners of not less than 25% in aggregate principal amount of the Series 2021 Bonds Outstanding; provided that such failure is the result of the failure of the Corporation to perform its obligations under the 2021 Agreement.
- (e) An Event of Bankruptcy with respect to the Corporation.

Section 8.02. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Bond Trustee shall have the following rights and remedies:

- (a) The Bond Trustee shall, in the event that the payment of the principal of and accrued interest on the Series 2021 Obligations has been declared due and payable immediately by the Master Trustee, by notice in writing given to the Issuer and the Corporation, declare the principal amount of all Series 2021 Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee shall give notice to the Bondholders in the same manner as a notice of redemption under Article V hereof, stating the date upon which the Series 2021 Obligations and the Series 2021 Bonds shall be payable.

The provisions of the preceding paragraph, however, are subject to the condition that if, after the payment of the principal of, and accrued interest on, the Series 2021 Obligations and the Series 2021 Bonds has been declared due and payable immediately, the declaration of the acceleration of the Series 2021 Obligations shall be annulled in accordance with the provisions of the Master Indenture, the declaration of the acceleration of the Series 2021 Bonds shall be automatically annulled, and the Bond Trustee shall promptly give written notice of such annulment to the Issuer and the Corporation and notice to Bondholders in the same manner as a notice of redemption under Article V hereof; but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon;

- (b) The Bond Trustee may, by mandamus, or other suit, action or proceeding at law or in equity, enforce the rights of the Bondholders, and require the Issuer or the Corporation or both

of them to carry out the agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act, the 2021 Agreement and this 2021 Bond Indenture.

(c) The Bond Trustee may, by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Bondholders but any such judgment against the Issuer shall be enforceable only against the funds and accounts hereunder in the hands of the Bond Trustee (excluding the Rebate Fund).

(d) The Bond Trustee may, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(e) The Bond Trustee may, upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

(f) The Bond Trustee may make withdrawals from any fund or account that is part of the Trust Estate to pay debt service on the Series 2021 Bonds, pay costs and expenses (including attorneys' fees) of the Bond Trustee and for other purposes as directed by Majority Bondholders.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.03. Majority of Bondholders May Control Proceedings. Anything in this 2021 Bond Indenture to the contrary notwithstanding the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Series 2021 Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method, and place of conducting all proceedings, to be taken in connection with the enforcement of the terms and conditions of this 2021 Bond Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof and provided, further, that notwithstanding anything to the contrary in this 2021 Bond Indenture, the Issuer shall have the sole ability to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of Section 4.10 of the 2021 Agreement. The Bond Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 9.01(m) hereof is provided to it by such Bondholders.

Section 8.04. Rights and Remedies of Bondholders. No Beneficial Owner of any Series 2021 Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this 2021 Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other applicable remedy hereunder, unless a default has occurred of which the Bond Trustee has been notified as provided in Section 9.01 hereof, or of which by said Section it is deemed to have notice, nor unless such default shall have become an Event of Default and the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding shall have made written request to the Bond Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in their own names, nor unless they have also offered to the Bond Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Bond 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 Bond Trustee to be conditions precedent to the execution of the powers and trusts of this 2021 Bond Indenture, and to any action or cause of action for the enforcement of this 2021

Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Beneficial Owners of the Series 2021 Bonds shall have the right in any manner whatsoever to affect, disturb, or prejudice the lien of this 2021 Bond Indenture by its 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 Beneficial Owners of all Series 2021 Bonds then Outstanding. Nothing in this 2021 Bond Indenture contained shall, however, affect or impair the right of any Beneficial Owner of Bonds to enforce the payment of the principal of, premium, if any, or interest on any Series 2021 Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Series 2021 Bonds to the respective Beneficial Owners of the Series 2021 Bonds at the time and place, from the source and in the manner herein, and in the Series 2021 Bonds expressed.

Section 8.05. Application of Moneys.

(a) Subject to the provisions of subparagraph (c) hereof, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article together with all funds held by the Bond Trustee hereunder (other than the Rebate Fund) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the outstanding fees of the Bond Trustee and the expenses, indemnification payments, liabilities, and advances incurred or made by the Bond Trustee, be deposited into the Bond Fund, and all moneys so deposited into the Bond Fund and all moneys held in or deposited into the Bond Fund during the continuance of an Event of Default and available for payment of the Series 2021 Bonds under the provisions of Section 3.07 hereof shall (after payment of the fees and expenses of the Issuer and the Issuer Indemnified Persons, and any other payments due them in respect of the Reserved Rights (including, without limitation, indemnification payments); provided, that payment of amounts due to the Issuer or the Issuer Indemnified Persons under this section shall not absolve the Corporation from liability therefor except to the extent of the amounts received from the Bond Trustee outside of all applicable preference periods) be applied as follows:

First. To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2021 Bonds 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 of any of the Series 2021 Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this 2021 Bond Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due at the rate of interest borne by such Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege of any series of the Series 2021 Bonds over any other series of the Series 2021 Bonds.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee 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. Whenever the Bond 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 Bond Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such unpaid Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Notwithstanding the foregoing, any moneys transferred into any Account of the Bond Fund from the Parity Debt Service Reserve Fund or any Reserve Account of the 2021B-C Debt Service Reserve Fund shall be (i) held by the Bond Trustee separate and apart from any other moneys in such Account of the Bond Fund and (ii) applied solely to payment of principal of and interest on the Series 2021A Bonds or the series of 2021B-C Bonds related to such Reserve Account, as applicable.

(d) Whenever all of the Series 2021 Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Bond Trustee and the Paying Agents and all Administration Expenses have been paid, any balance remaining in any funds shall be paid to the Corporation as provided in Section 3.14 hereof.

Section 8.06. Bond Trustee May Enforce Rights Without Bonds. All rights of action and claims under this 2021 Bond Indenture or any of the Series 2021 Bonds Outstanding hereunder may be enforced by the Bond Trustee without the possession of any of the Series 2021 Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Series 2021 Bonds and any recovery of judgment shall be for the ratable benefit of the owners of the Series 2021 Bonds, subject to the provisions of this 2021 Bond Indenture.

Section 8.07. Bond Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Corporation, the Bond Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Bond Trustee and of the Bondholders allowed in such proceedings for the entire amount due and payable by the Issuer under the 2021 Bond Indenture or by the Corporation at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Series 2021 Bondholder to file a claim in his, her or its own behalf.

No provision of this 2021 Bond Indenture empowers the Bond Trustee to authorize, consent to, accept or adopt on behalf of any Series 2021 Bondholder any plan or reorganization, arrangement, adjustment or composition affecting any of the rights of any Series 2021 Bondholders, or authorizes the Bond Trustee to vote in respect of the claim in any proceeding described in this Section.

In the event the Bond Trustee incurs expenses or renders services in any proceedings affecting the Corporation and described in this Section, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Bond Trustee or of any Series 2021 Bondholder to exercise any right or power accruing upon any default or Event of Default shall exhaust or 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 power and remedy given by this 2021 Bond Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. Discontinuance of Proceedings on Default, Position of Parties Restored. In case the Bond Trustee shall have proceeded to enforce any right under this 2021 Bond Indenture, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, then and in every such case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 8.10. Enforcement of Rights. The Bond Trustee, as pledgee and assignee for security purposes of all the right, title, and interest of the Issuer in and to the 2021 Agreement (except the Reserved Rights) and the Series 2021 Obligations shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article VIII, be the sole real party in interest in respect of, and shall have standing, exclusive of owners of Bonds to enforce each and every right granted to the Issuer under the 2021 Agreement and under the Series 2021 Obligations. The Issuer and the Bond Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of any and all rights of the Issuer in and to the Series 2021 Obligations and the 2021 Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this 2021 Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Issuer or its default hereunder or on the Series 2021 Bonds. Subject to Section 9.01 hereof, after the occurrence and during the continuation of an Event of Default, in exercising such right and the rights given the Bond Trustee under this Article VIII, the Bond Trustee shall take such action as, in the judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to owners of Series 2021 Obligations.

Section 8.11. Undertaking for Costs. All parties to this 2021 Bond Indenture agree, and each Beneficial Owner of any Series 2021 Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this 2021 Bond Indenture, or in any suit against the Bond Trustee for any action taken or omitted by it as Bond Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion access reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Bond Trustee, to any suit instituted by any Series 2021 Bondholder, or group of Bondholders, holding in aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by a Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Series 2021 Bond on or after the respective maturities thereof expressed in such Bond (or, in the case of redemption, on or after the redemption date).

Section 8.12. Waiver of Events of Default. The Bond Trustee shall waive any Event of Default hereunder upon the written request of the Beneficial Owners of a majority in aggregate principal amount of the Series 2021 Bonds then Outstanding; provided, however, that the Bond Trustee may not waive an Event of Default described in subparagraph (a) of Section 8.01 hereof without the written consent of the Beneficial Owners of all Series 2021 Bonds then Outstanding; and provided, further, that notwithstanding anything to the contrary in this 2021 Bond Indenture, the Issuer shall have the sole ability to waive any Event of Default in connection with the covenants and obligations of the Corporation under Section 4.10 of the 2021 Agreement.

Section 8.13. No Obligation to Enforce Rights. Notwithstanding anything to the contrary in this 2021 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2021 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2021 Bond Indenture or the 2021 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of a default and the obligations of the Corporation under this 2021 Bond Indenture or the 2021 Agreement.

Section 8.14. Non-Impairment of Rights. Nothing in this 2021 Bond Indenture shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article VIII]

ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

Section 9.01. Duties of the Bond Trustee. The Bond Trustee hereby accepts the trust imposed upon it by this 2021 Bond Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this 2021 Bond Indenture against the Bond Trustee:

(a) The Bond 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 2021 Bond Indenture and no implied duties shall be read in to the 2021 Bond Indenture against the Bond Trustee. In case an Event of Default has occurred (which has not been cured) the Bond Trustee shall exercise such of the rights and powers vested in it by this 2021 Bond Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder, either directly or by or through attorneys, agents, receivers, or employees, and the Bond Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care by it hereunder, and shall be entitled to consult with counsel and act upon the written advice or an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trust hereof. The Bond Trustee may act upon any written advice or Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such written advice or Opinion of Counsel.

(c) The Bond Trustee shall not be responsible for any recital herein or in the Series 2021 Bonds (except in respect to the certificate of authentication by the Bond Trustee endorsed on the Series 2021 Bonds and the acceptance of the trusts hereunder).

(d) The Bond Trustee shall not be accountable for the use of any Series 2021 Bonds authenticated or delivered hereunder or the proceeds thereof, or for any moneys disbursed by the Bond Trustee in accordance with this 2021 Bond Indenture. The Bond Trustee makes no representations as to the validity or sufficiency of this 2021 Bond Indenture or the Series 2021 Bonds. The Bond Trustee is not a party to, is not responsible for, and makes no representations with respect to matters set forth in any official statement, or similar document prepared and distributed in connection with the sale of the Series 2021 Bonds. The Bond Trustee may become the Beneficial Owner of the Series 2021 Bonds with the same rights which it would have if not Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, telephonic transmission or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any request or direction of the Issuer or the Corporation mentioned herein shall be sufficiently evidenced by a written request, order, or consent signed in the name of the Issuer or the Corporation, by the Authorized Signatory, or the Obligated Group Representative, as the case may be. Any action taken by the Bond Trustee pursuant to this 2021 Bond 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 Beneficial Owner of any Series 2021 Bonds shall be conclusive and

binding upon all future Beneficial Owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or matter or as to the sufficiency or validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely and shall be protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Corporation by the Authorized Signatory or the Obligated Group Representative or such other person as may be designated for such purpose by Certified Resolution as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Bond Trustee to do things enumerated in this 2021 Bond Indenture shall not be construed as a duty (except as otherwise herein provided) and the Bond Trustee shall not be answerable for other than its own negligence or willful misconduct, except that:

(i) the Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

(ii) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of at least a majority in Aggregate Principal Amount of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this 2021 Bond Indenture; and

(iii) the Bond Trustee shall not be liable if the Bond Trustee reasonably relies in good faith upon an officer's certificate delivered pursuant to this 2021 Bond Indenture or an Opinion of Counsel.

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by Article III hereof unless the Bond Trustee shall be specifically notified in writing of such default by the Issuer or by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding and all notices or other instruments required by this 2021 Bond Indenture to be delivered to the Bond Trustee, must, in order to be effective, be delivered to a Responsible Officer at the designated corporate trust office of the Bond Trustee, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received, but need not be segregated from other funds except to the extent required by this 2021 Bond Indenture or law.

(j) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be

required, to inspect the 2021 Project, including all books, papers, and records of the Issuer and the Corporation pertaining to the 2021 Project and the Series 2021 Bonds.

(k) The Bond Trustee shall not be required to give any Series 2021 Bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises, and no provision of this 2021 Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have grounds for believing that repayment of such funds or indemnity satisfactory against such risk or liability is not assured to it.

(l) Notwithstanding anything in this 2021 Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Series 2021 Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this 2021 Bond Indenture, any showings, certificates, opinion, 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 Bond Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Series 2021 Bonds, the withdrawal of any cash, or the taking of any other action by the Bond Trustee.

(m) Before taking any action under this Section or Article VIII hereof or otherwise taking any action at the request or direction of any holder or Beneficial Owner, the Bond Trustee may require that indemnity reasonably satisfactory to it be furnished to it for the reimbursement of its fees, costs, liabilities and all expenses (including attorneys' fees) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) Except as provided in Section 9.01(a) above, it shall not be the duty of the Bond Trustee, except as expressly provided herein, to see that any duties or obligations imposed herein or in the 2021 Agreement or the Disbursement Agreement upon the Issuer, the Corporation, or other Persons are performed, and the Bond Trustee shall not be liable or responsible because of the failure of the Issuer, the Corporation, or other Persons to perform any act required of them pursuant to the terms of this 2021 Bond Indenture.

(o) In acting or omitting to act pursuant to the provisions of the 2021 Agreement or the Disbursement Agreement, the Bond Trustee shall be entitled to and be protected by the rights and immunities accorded to it by the terms of this 2021 Bond Indenture.

(p) The Bond Trustee's immunities and protections from liability in connection with the performance of its duties under this 2021 Bond Indenture shall extend to the Bond Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Bond Trustee's right to compensation, shall survive the Bond Trustee's resignation or removal and final payment of the Series 2021 Bonds.

(q) In no event shall the Bond Trustee 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 Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 9.02. Fees and Expenses of Bond Trustee and Paying Agent. The Issuer agrees, but solely from any funds received from the Corporation pursuant to the 2021 Agreement,

(a) to pay to the Bond Trustee, each Paying Agent and all other agents their reasonable fees for services rendered hereunder as and when the same become due and all expenses (including attorneys' fees) reasonably made or incurred by the Bond Trustee, such Paying Agent or such other agent in connection with such services as and when the same become due as provided in Section 3.12 hereof; and

(b) to reimburse the Bond Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bond Trustee in accordance with any provisions of this 2021 Bond Indenture (including the reasonable compensation, expenses, and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Bond Trustee.

As security for the performance of the obligations of the Issuer under this Section, the Bond Trustee shall be secured under this 2021 Bond Indenture by a lien prior to the lien securing the Series 2021 Bonds and, for the payment of the expenses and reimbursements due hereunder, the Bond Trustee shall have the right to use and apply any trust funds held by it hereunder.

Section 9.03. Resignation or Replacement of Bond Trustee. The present or any future Bond Trustee may resign by giving to the Issuer, the Corporation and each Bondholder thirty days' notice of such resignation. Such resignation shall not be effective until such time as a successor Bond Trustee shall have accepted its appointment. The present or any future Bond Trustee may be removed (a) at any time by an instrument in writing executed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds Outstanding or (b) if an Event of Default hereunder has not occurred and is continuing, by an instrument in writing executed by the Corporation.

In case the present or any future Bond Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Series 2021 Bonds Outstanding by an instrument or concurrent instruments signed by such Bondholders, or their attorneys in fact duly appointed; provided that the Issuer may, by an instrument executed by order of the Board of Directors, appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The Issuer upon making such appointment shall forthwith give notice thereof to each Bondholder and to the Corporation, which notice may be given concurrently with the notice of resignation given by any resigning Bond Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Series 2021 Bonds Outstanding. In the event that the Issuer does not so act within thirty days after notice of resignation, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor Bond Trustee.

Every successor Bond Trustee shall always be a bank, banking corporation or trust company with trust powers in good standing, qualified to act hereunder, and having a combined capital and surplus of not less than \$50,000,000. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the predecessor Bond Trustee an instrument accepting such appointment hereunder and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as Bond Trustee herein; but the Bond Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall, upon payment of the expenses, charges and other disbursements which are due and owing to it pursuant to Section 3.12 and Section 9.02 hereof, duly assign, transfer and deliver to the successor all properties and moneys held by it under this 2021 Bond Indenture. Should any instrument in writing from

the Issuer be required by any successor for more fully and certainly vesting in and confirming to it all of such estates, properties, rights, powers, and trusts, the Issuer shall, on request of such successor, make, execute, acknowledge, and deliver the deeds, conveyances, and necessary instruments in writing.

The notices herein provided for shall be given by mailing a copy thereof to the Corporation and the registered owners of the Series 2021 Bonds at their addresses as the same shall last appear on the registration books. The instruments evidencing the resignation or removal of the Bond Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Bond Trustee in each recording office where this 2021 Bond Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Bond Trustee. Any bank, banking corporation or trust company into which the Bond Trustee merges or is consolidated, or to which it (or a receiver on its behalf) may sell or transfer its corporate trust business as a whole, or substantially as a whole, shall be the successor of the Bond Trustee under this 2021 Bond Indenture with the same rights, powers, duties, and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Series 2021 Bonds to be issued hereunder shall have authenticated, but not delivered, any successor Bond Trustee may adopt the certificate of any predecessor Bond Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Bond Trustee may authenticate such Bonds in the name of such successor Bond Trustee.

Section 9.05. Designation and Succession of Paying Agent. The Bond Trustee and any other banks or trust companies, if any, designated as Paying Agent or Paying Agents in any supplemental indenture, shall be the Paying Agent or Paying Agents for the Series 2021 Bonds.

Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this 2021 Bond Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty days thereafter, appoint such bank or trust company as shall be specified by the Corporation and located in the same city as such Paying Agent to fill such vacancy; provided, however, that if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Trustee shall make such appointment.

The Paying Agents, if any, shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 9.01 hereof with respect to the Bond Trustee insofar as such provisions may be applicable.

Section 9.06. Filing of Financing Statements. The Obligated Group shall file or record or cause to be filed or recorded all financing statements that are required in order fully to protect and preserve the security interests granted to the Bond Trustee herein and the priority thereof and the rights and powers of the Bond Trustee in connection therewith. Subject to the terms of Section 4.03, the Bond Trustee shall file or record or cause to be filed or recorded all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which shall have been filed at or prior to the issuance of the Series 2021 Bonds in connection with the security for the Series 2021 Bonds and (ii) any previously filed continuation statements that shall have been filed as required herein. The Bond Trustee shall deliver to the Corporation or its designee all such continuation statements as may be required for the purposes specified in the preceding sentence. Upon the filing of any such financing statement or continuation statement the Corporation shall immediately notify the Issuer and the Bond Trustee that the same has been accomplished.

Section 9.07. Voting Rights with Respect to the Series 2021 Master Obligations. The Issuer hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall, exercise for the benefit of the Bondholders, the power to execute all waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of a holder and owner of a Series 2021 Obligation, which power shall be irrevocable so long as such Obligation shall be pledged hereunder. The Bond Trustee shall exercise such power with respect to the Series 2021 Master Obligations when and as, but only when and as, directed to do so by written direction of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds of the related series.

[End of Article IX]

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE 2021 AGREEMENT

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee may, without the consent of, or notice to, the Bondholders, enter into such indentures or agreements supplemental hereto (which supplemental indentures or agreements shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) To add to the covenants and agreements in this 2021 Bond Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Bondholders.
- (b) To cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained in this 2021 Bond Indenture.
- (c) To subject to this 2021 Bond Indenture additional revenues, properties, or collateral.
- (d) To qualify this 2021 Bond Indenture under the Trust Indenture Act of 1939, if such be hereafter required in the Opinion of Counsel.
- (e) To maintain the extent to which the interest on the Tax Exempt Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such supplemental indenture or agreement is necessary.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Beneficial Owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds of all series then Outstanding affected thereby, in case one or more but less than all series of Bonds then Outstanding hereunder are so affected, shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this 2021 Bond Indenture; provided, however, that without the consent of the Beneficial Owners of all the Series 2021 Bonds at the time Outstanding nothing herein contained shall permit, or be construed as permitting any of the following:

- (a) An extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Series 2021 Bond, without the consent of the Beneficial Owner of such Bond.
- (b) The deprivation of the Beneficial Owner of any Series 2021 Bond then Outstanding of the lien created by this 2021 Bond Indenture and the Master Indenture (other than as originally permitted hereby).
- (c) A privilege or priority of any Series 2021 Bond or Bonds, over any other Bond.
- (d) A reduction in the aggregate principal amount of the Series 2021 Bonds required for consent to any supplemental indenture.

(e) Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made with the consent of the Beneficial Owners of 66-2/3% in aggregate principal amount of all Outstanding Series 2021 Bonds.

(f) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this 2021 Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this 2021 Bond Indenture of the Issuer, the Bond Trustee and all Beneficial Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

If at any time the Issuer shall request the Bond Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to costs, fees and expenses (including attorneys' fees), cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Series 2021 Bonds at their addresses as the same last appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated office of the Bond Trustee for inspection by all Bondholders. If, within sixty days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Beneficial Owners of not less than a majority in aggregate principal amount of the Series 2021 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 Beneficial Owner of any Series 2021 Bond 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 Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indentures. The Bond Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties, or immunities under this 2021 Bond Indenture. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of a supplemental indenture is authorized or permitted by this 2021 Bond Indenture and has been effected in compliance with the provisions hereof.

Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this 2021 Bond Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this 2021 Bond Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Series 2021 Bonds issued thereafter, if any, if deemed necessary or desirable by the Bond Trustee.

Section 10.04. Consent of the Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture unless the Corporation is in default under the 2021 Agreement or an Event of Default described under Section 8.01(a), (b) or (c) hereunder has occurred and is continuing, in which case no consent of the Corporation shall be required. The Bond Trustee shall cause notice of the proposed execution of any supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Corporation at least fifteen days prior to the proposed date of execution of such supplemental indenture.

Section 10.05. Amendments, Etc., of the 2021 Agreement Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the 2021 Agreement as may be required (i) to conform such 2021 Agreement to the provisions of this 2021 Bond Indenture, as it may be supplemented from time to time in accordance herewith, and (ii) to maintain the extent to which the interest on the Series 2021 Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such amendment is necessary.

Section 10.06. Amendments, Etc., of the 2021 Agreement Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 10.05 hereof, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the 2021 Agreement without the giving of notice to and the written approval or consent of the Beneficial Owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds at the time Outstanding given and procured as provided in Section 10.02 hereof. If at any time the Issuer and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change, or modification of the 2021 Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders.

In executing any amendment, change or modification of the 2021 Agreement, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of such amendment, change, modification of the 2021 Agreement is authorized or permitted by this 2021 Bond Indenture and the 2021 Agreement and has been effected in compliance with the provisions of this 2021 Bond Indenture and the 2021 Agreement. The Bond Trustee may, but shall not be obligated to, enter into any such amendment, change, or modification which affects the Bond Trustee's own rights, duties or immunities.

[End of Article X]

ARTICLE XI MISCELLANEOUS

Section 11.01. Evidence of Signature of Beneficial Owners and Ownership of Bonds. Any request, consent, or other instrument which the 2021 Bond Indenture may require or permit to be signed and executed by the Beneficial Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Beneficial Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or of the Beneficial Ownership of Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Bond Trustee may, nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Beneficial Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of any fully registered Bond and the amount and numbers of such Bonds and the date of holding the same shall be proved by the registration books of the Issuer kept by the Bond Trustee. Any request or consent of the owner of any Series 2021 Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Bond Trustee in accordance therewith.

Section 11.02. No Personal Liability. No recourse under or upon any obligation, covenant or agreement contained in this 2021 Bond Indenture, or in any Series 2021 Bond hereby secured, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this 2021 Bond Indenture, shall be had against any officer, director, agent or employee, as such, past, present or future, of any of the Issuer or the Bond Trustee, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Beneficial Owner of any Series 2021 Bond issued hereunder or otherwise of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such person to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof or for or to the Beneficial Owner of any Series 2021 Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Series 2021 Bonds hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this 2021 Bond Indenture and the issue of such Bonds. No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Series 2021 Bonds or any costs incidental thereto or any sum hereunder or under the 2021 Agreement or any claim based hereon or thereon, or be subject to any personal liability or accountability by reason of the execution and delivery of this 2021 Bond Indenture or the 2021 Agreement.

Section 11.03. Limited Obligation. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Series 2021 Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member, the State or any other political subdivision or agency thereof, nor the faith and credit or the taxing power of the State of North Carolina or any political subdivision thereof or any political subdivision approving the issuance of the Series 2021 Bonds, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal of, premium, if any, or interest on the Series 2021 Bonds or any costs incidental thereto. The

Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the 2021 Agreement, the Series 2021 Bonds or the 2021 Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the 2021 Agreement.

The Bond Trustee hereby acknowledges that the Issuer's sole source of moneys to repay the Series 2021 Bonds is the Trust Estate and hereby agrees that if such amounts in the Trust Estate shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Series 2021 Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then the Bond Trustee shall give notice to the Corporation in accordance with Article VIII of the 2021 Bond Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of, premium, if any, or interest, or costs incidental thereto including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Notwithstanding anything to the contrary in this 2021 Bond Indenture or the 2021 Agreement, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2021 Bond Indenture or the 2021 Agreement, shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under the 2021 Bond Indenture or the 2021 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under the 2021 Agreement.

Section 11.04. Parties Interested Herein. With the exception of rights herein expressly conferred on the Corporation and in Section 11.14 hereto, nothing in this 2021 Bond Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Series 2021 Bonds, any right, remedy, or claim under or by reason of this 2021 Bond Indenture, and any covenants, stipulations, promises, and agreements in this 2021 Bond Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Series 2021 Bonds.

Section 11.05. Titles, Headings, Etc. The titles and headings of the articles, sections, and subdivisions of this 2021 Bond Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06. Severability. In the event any provision of this 2021 Bond Indenture 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 11.07. Governing Law. This 2021 Bond Indenture shall be governed and construed in accordance with the laws of the State. All claims of whatever character arising out of this 2021 Bond Indenture, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Dane County, Wisconsin. By executing and delivering this 2021 Bond Indenture, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as

specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.08. Execution of Counterparts. This 2021 Bond 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. The parties hereto agree the transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 11.09. Notices. Any notice, request or other communication under this Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

(a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;

(b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;

(c) The date of the receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive

Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.
Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Bond Indenture and delivered using electronic means ("Electronic Means") means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder; provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.10. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this 2021 Bond Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the nominal date provided in this 2021 Bond Indenture.

Section 11.11. Issuer's Performance. None of the provisions of this 2021 Bond Indenture or the 2021 Agreement shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Series 2021 Bonds or the 2021 Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2021 Bond Indenture, the 2021 Agreement, and any and every Series 2021 Bond executed, authenticated and delivered under this 2021 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been directed to do so in writing by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2021 Agreement, including, but not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2021 Agreement and (ii) upon any written certification or opinion furnished to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2021 Bond Indenture or the 2021 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2021 Agreement that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.12. Content of Certificates. Notwithstanding any provision hereof to the contrary, whenever any certificate or opinion is required by the terms of this 2021 Bond Indenture to be given by the Issuer on its own behalf, any such certificate or opinion may be made or given by an Authorized Signatory (and in no event individually) and may be based (i) insofar as it relates to factual matters, upon a certificate of or representation by the Bond Trustee or the Corporation; and (ii) insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, in each case under clause (i) or (ii) without further investigation or inquiry by such Authorized Signatory or otherwise on behalf of the Issuer.

Section 11.13. Limitation of Liability. THE SERIES 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY MEMBER, ANY SPONSOR, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2021 BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE SERIES 2021 BONDS

ARE NOT A DEBT OF THE STATE OF WISCONSIN OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE IN ANY MANNER ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2021 BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2021 BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2021 BONDS NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2021 BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

Section 11.14. Third Party Beneficiaries. Notwithstanding any provision hereof to the contrary, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2021 Bond Indenture entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, Public Finance Authority has caused this 2021 Bond Indenture to be executed on its behalf by its Assistant Secretary, and UMB Bank, National Association has caused this 2021 Bond Indenture to be executed on its behalf by its duly authorized officer to evidence its acceptance of the trusts hereby created, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

UMB BANK, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

Signature Page of Indenture of Trust

Signature Page of Indenture of Trust

EXHIBIT A
INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[2021A Amount] Public Finance Authority Revenue Bonds (Searstone CCRC Project)
 Series 2021A

 \$[2021B-1 Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
 (Searstone CCRC Project) Series 2021B-1

 \$[2021B-2 Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
 (Searstone CCRC Project) Series 2021B-2

 \$[2021C Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
 (Searstone CCRC Project) Series 2021C Taxable

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of October 1, 2021 (the “Indenture”), between the Issuer, and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____ and has been given access to copies of the Indenture (including the form of Bond) and the 2021 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.

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4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.

5. The Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.

6. Investor is (i) an “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) a “Qualified Institutional Buyer” as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a “Qualified Institutional Buyer” as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor’s purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Corporation involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the Loan Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor’s breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:
Name:
Title:

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Indenture of Trust and is only for convenience of reference)

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TO
UMB BANK, NATIONAL ASSOCIATION,
AS BOND TRUSTEE

INDENTURE OF TRUST

Dated as of March 1, 2022

\$[Amount]
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2022A
(Forward Delivery)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of March 1, 2022 (this “2022 Bond Indenture”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **UMB BANK, NATIONAL ASSOCIATION** (the “Bond Trustee”), a national banking association with trust powers having an office in Minneapolis, Minnesota, as trustee, being authorized to accept and execute trusts of the character herein set out,

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the acquisition and construction of a continuing care retirement community located in Wake County, North Carolina (the “Community”), owned and operated by Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, of which \$8,000,000 in aggregate principal amount remains currently outstanding (the “Series 2016 Bonds”), to (a) finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center, improvements to the Community’s landscaping, and the acquisition of land for the expansion of the Community subsequently financed with the Series 2021 Bonds (as defined below) (collectively, the “Project”), and (b) fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease and refund all of the Series 2012 Bonds that then remained outstanding, finance certain pre-development costs relating to an expansion of the Community subsequently financed with the Series 2021 Bonds, fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation (the “Series 2017 Obligation”), issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), none of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined in the 2021 Bond Indenture (as defined below)), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund (as defined in the 2022 Agreement(as defined herein)), and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the “2021 Bond Indenture”), dated as of October 1, 2021, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2021A in the aggregate principal amount of \$[2021A Amount]

(the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1 in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2 in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”), all of which remain outstanding, the proceeds of which were used to finance certain costs of the 2021 Project, (b) refund all then outstanding Series 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund (e) fund a debt service reserve fund created under the 2021 Bond Indenture to secure the Series 2021B-1 Bonds, Series 2021B-2 Bonds and Series 2021C Bonds, and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the proceeds of the Series 2021 Bonds were lent to the Corporation under a Loan Agreement, dated as of October 1, 2021, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds was evidenced by the Corporation’s Series 2021 Obligations (the “Series 2021 Obligations”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of refinancing the Project by refunding all of the outstanding Series 2016 Bonds (collectively, the “Refunded Bonds”); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery),” in the aggregate principal amount of \$[Amount] (the “Bonds”) to (a) refund the Refunded Bonds and (b) pay a portion of the costs of issuing the Bonds (collectively, the “Bond Project”); and

WHEREAS, the Project is located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Bonds; and

WHEREAS, the financing of the Bond Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the Project is located; and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of March 1, 2022, with the Corporation (the “2022 Agreement”) specifying the terms and conditions of a loan by the Issuer to the Corporation of the proceeds of the Bonds to finance the Bond Project; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Issuer has authorized the execution and delivery of this 2022 Bond Indenture; and

WHEREAS, the Bonds, and the Bond Trustee’s certificate of authentication and assignment to appear thereon, shall be in substantially the form set forth herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this 2022 Bond Indenture; and

WHEREAS, the obligation of the Corporation to make loan payments under the 2022 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds will be evidenced by the Corporation’s Series 2022A Obligation, in the principal amount of \$[Amount], payable to the Issuer (the “Series 2022A Obligation”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 6 (“Supplement Number 6”), dated as of March 1, 2022, between the Corporation and the Master Trustee; and

WHEREAS, the Series 2022A Obligation will be secured by the Parity Debt Service Reserve Fund; and

WHEREAS, the Series 2022A Obligation is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2017 Obligation and the Series 2021 Obligations; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this 2022 Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the 2022 Bond Indenture have been in all respects duly authorized; and

WHEREAS, the Bonds, the Bond Trustee’s Authentication Certificate and the Assignment are to be substantially in the following form, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this 2022 Bond Indenture:

(FORM OF BOND)

THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE STATE OF WISCONSIN, INCLUDING PARTICULARLY SECTION 66.0304 OF THE WISCONSIN STATUTES, AS AMENDED. BONDS ISSUED UNDER SECTION 66.0304 SHALL NOT BE INVALID FOR ANY IRREGULARITY OR DEFECT IN THE PROCEEDINGS FOR THEIR SALE OR ISSUANCE.

NEITHER THIS BOND NOR ANY BENEFICIAL OWNERSHIP INTEREST HEREIN MAY BE TRANSFERRED BY THE BENEFICIAL OWNER HEREOF EXCEPT (I) IN AUTHORIZED DENOMINATIONS TO (II) ANY PERSON THAT IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR (B) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND, IN THE CASE OF ANY ACCREDITED INVESTOR WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER, IN A MINIMUM PRINCIPAL AMOUNT OF \$25,000 REGARDLESS OF ANY LOWER MINIMUM DENOMINATION AUTHORIZED BY THE BOND INDENTURE.

PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BOND
(SEARSTONE CCRC PROJECT)
SERIES 2022A
(Forward Delivery)

No. R-1 [REDACTED] \$[AMOUNT]

Interest Rate	Maturity Date	Delivery Date	Dated Date:	CUSIP No.
____%	June 1, 20[49]	March 3, 2022	March 3, 2022	74442PP []

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

PUBLIC FINANCE AUTHORITY, a joint powers commission under the Act (as hereinafter defined), the "commission" under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and December 1 of each year, commencing June 1, 2022, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date set forth above.

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR

ANY COSTS INCIDENTAL THERETO. THIS BOND IS NOT A DEBT OF THE STATE OR ANY MEMBER AND DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

This Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Section 66.0304 of the Wisconsin Statutes, as amended. This Bond is a limited obligation of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged to its payment and not from any other revenues, funds or assets of the Issuer.

The principal of and premium, if any, on this Bond are payable upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, National Association, as bond trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of March 1, 2022 (the "2022 Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the Issuer maintained by the Bond Trustee at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such interest payment date (the "Regular Record Date") or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, redemption premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (as defined in the hereinafter defined 2022 Agreement), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of such Bonds not less than ten days prior to such Special Record Date. Alternative means of payment of interest may be used if mutually agreed upon between the owner of this Bond and the Bond Trustee, as provided in the 2022 Bond Indenture. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Bond Trustee.

Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on this Bond exceed the Maximum Rate.

This Bond shall be issued pursuant to a book entry system administered by The Depository Trust Company (together with any successor thereto, "Securities Depository"). The book entry system will evidence beneficial ownership of the Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book entry system is in effect, transfer of principal, interest and premium payments, and provisions

of notices or other communications, to beneficial owners of the Bonds will be the responsibility of the Securities Depository as set forth in the 2022 Bond Indenture.

This Bond is one of a duly authorized series of bonds of the Issuer dated the date shown above known as “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery)” (the “Bonds”) and issued in an Aggregate Principal Amount (as defined in the hereinafter defined 2022 Agreement) of \$[Amount].

The proceeds of the Bonds are being issued for the purpose of providing funds to be lent to Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), to be used to (a) refund all of the Issuer’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2016 (collectively, the “Refunded Bonds”), and (b) pay a portion of the cost of issuance of the Bonds.

To evidence its loan repayment obligations, the Corporation has issued its Series 2022A Obligation (the “Series 2022A Obligation”) in connection with a Loan Agreement dated as of March 1, 2022, between the Issuer and the Corporation (the “2022 Agreement”). The Series 2022A Obligation is issued pursuant to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as previously supplemented and as supplemented by Supplemental Indenture Number 6, dated as of March 1, 2022 between the Corporation and the Master Trustee (collectively, the “Master Indenture”). Pursuant to the Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2022A Obligation. The Issuer, on behalf of the Corporation, has previously issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds,” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), its Revenue Bonds (Searstone CCRC Project) Series 2021A, of which \$[2021A Amount] in aggregate principal amount remains currently outstanding (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1, of which \$[2021B-1 Amount] in aggregate principal amount remains currently outstanding (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2, of which \$[2021B-2 Amount] in aggregate principal amount remains currently outstanding (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, of which \$[2021C Amount] in aggregate principal amount remains currently outstanding (the “Series 2021C Bonds,” and together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”). The Series 2017 Bonds are secured equally with the Series 2021 Bonds and the Bonds by an obligation issued under the Master Indenture (the “Series 2017 Obligation”), and Series 2021 Bonds are secured equally with the Series 2017 Bonds and the Bonds by two obligations issued under the Master Indenture (the “Series 2021 Obligations”). Additional Master Obligations on a parity with the Series 2017 Obligation, the Series 2021 Obligations, the Series 2022A Obligation and the other parity obligations may be issued pursuant to the Master Indenture subject to the conditions and terms contained therein, and the payments on such additional Master Obligations will also be secured by a pledge of the Gross Revenues.

This Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the 2022 Agreement and the Series 2022A Obligation and the security therefor. The Bonds are issued under and are equally and ratably secured and are entitled to the protection given by the 2022 Bond Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the 2022 Bond Indenture, or in any Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the 2022 Bond Indenture, shall be had against any director, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Bond or the 2022 Bond Indenture, shall be personally liable hereon or thereon or be subject to any personal liability by reason of the issuance hereof and thereof, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the 2022 Bond Indenture and the issuance of this Bond.

Reference is hereby made to the 2022 Bond Indenture and all indentures supplemental thereto and the Master Indenture for a description of the revenues pledged, the nature and extent of the security, the rights, duties, and obligations of the Issuer, the Bond Trustee and the beneficial owners of the Bonds, and the terms and conditions upon which the Bonds are, and are to be, secured.

The Bonds are subject to redemption prior to maturity as provided in the 2022 Bond Indenture.

The Bonds are issuable as fully registered Bonds in denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Bonds shall be allowed to purchase, transfer, or sell such Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer, or sale, each beneficial owner owns at least \$25,000 of principal amount of the Bonds. Bonds may be owned by, and transferred to, only an entity that is either (i) a “Qualified Institutional Buyer” (as defined in Rule 144A under the Securities Act of 1933, as amended) or (ii) an “accredited investor” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) and in a minimum principal amount of \$25,000; provided, however, that if the restrictions of the transfer of Bonds no longer apply pursuant to the 2022 Bond Indenture, then there will be no restrictions on who may own Bonds and no requirement of ownership of a minimum principal amount. Bonds are exchangeable for an equal principal amount of fully registered Bonds of the same maturity and series of other authorized denominations at the aforesaid office of the Bond Trustee, but only in the manner and subject to the limitations and on payment of the charges provided in the 2022 Bond Indenture.

This Bond is fully transferable by the registered owner hereof in person or by its duly authorized attorney on the registration books kept at the designated office of the Bond Trustee upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Bond of authorized denomination or denominations for the same Aggregate Principal Amount, maturity, and series will be issued to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the 2022 Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise

provided hereinabove and in the 2022 Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee shall be affected by any notice to the contrary. The principal of, premium, if any, and interest on this Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Bond shall have no right to enforce the provisions of the 2022 Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the 2022 Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the 2022 Bond Indenture. In case an event of default under the 2022 Bond Indenture shall occur, the principal of all of the Bonds at any such time Outstanding under the 2022 Bond Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the 2022 Bond Indenture. The 2022 Bond Indenture provides that such declaration may in certain events be waived by the Bond Trustee or the owners of a requisite principal amount of the Bonds Outstanding under the 2022 Bond Indenture.

To the extent permitted by, and as provided in, the 2022 Bond Indenture, modifications or amendments of the 2022 Bond Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the owners of the Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3 % in aggregate principal amount of the Bonds then Outstanding. Any such consent by the owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

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 2022 Bond Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS BOND shall not be entitled to any benefit under the 2022 Bond Indenture, or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Bond Trustee shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the Public Finance Authority has caused this Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within mentioned 2022 Bond Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION, as**
Bond Trustee

March 3, 2022

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond, and does hereby irrevocably constitute and appoint attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Date: _____ NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature Guaranteed By:

Authorized Signatory

NOTE: The signature to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Signature Program ("MSP").

[FORM OF DTC FAST RIDER]

DTC FAST RIDER

Each Bond certificate shall remain in the Bond Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Bond Trustee and DTC.

*** [END OF BOND FORM] ***

WHEREAS, all things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this 2022 Bond Indenture provided, the valid, binding, and legal obligations of the Issuer and to constitute this 2022 Bond Indenture a valid, binding, and legal instrument for the security of the Bonds in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Beneficial Owners thereof and of the sum of One Dollar to it duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this 2022 Bond Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this 2022 Bond Indenture and has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, set over, and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, pledge, set over, and confirm unto UMB Bank, National Association, as trustee, and to its successors and assigns forever, all and singular the following described property, franchises, and income:

1. All of the Issuer's right, title and interest in and to the Series 2022A Obligation delivered by the Corporation to the Issuer pursuant to the 2022 Agreement; and
2. All of the Issuer's right, title and interest in and to the 2022 Agreement (except for Reserved Rights); provided, however, that nothing in this clause shall impair, diminish or otherwise affect the Issuer's obligations under the 2022 Agreement or, except as otherwise provided in this 2022 Bond Indenture, impose any such obligations on the Bond Trustee; and
3. Amounts on deposit from time to time in the funds and accounts held under this Indenture, including but not limited to the Bond Fund, Cost of Issuance Fund, and Administrative Cost Fund, but excluding the Rebate Fund (all as defined in the 2022 Agreement), subject to the provisions of this 2022 Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and
4. Any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with the Bond Trustee as additional security by the Issuer or anyone on its part or with its written consent, or which pursuant to any of the provisions hereof or of the 2022 Agreement or the Series 2022A Obligation may come into the possession of or control of the Bond Trustee or a receiver appointed pursuant to Article VIII hereof, as such additional security; and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Bond Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Beneficial Owners of the Bonds issued under and secured by this 2022 Bond Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds;

SUBJECT ONLY TO THE RIGHTS OF THE ISSUER TO APPLY AMOUNTS UNDER THE PROVISIONS OF THIS 2022 BOND INDENTURE, THE PLEDGE AND ASSIGNMENT OF THE TRUST ESTATE HEREBY MADE SHALL IMMEDIATELY ATTACH THERETO AND SHALL BE

EFFECTIVE, BINDING AND ENFORCEABLE FROM AND AFTER THE TIME OF THE DELIVERY BY THE BOND TRUSTEE OF THE FIRST BONDS AUTHENTICATED AND DELIVERED UNDER THIS 2022 BOND INDENTURE. THE SECURITY SO PLEDGED AND ANY ASSIGNMENT THEN OR THEREAFTER RECEIVED BY BOND TRUSTEE FROM THE ISSUER AS SECURITY FOR THE BONDS SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE AND ASSIGNMENT AND THE LIEN OF SUCH PLEDGE AND ASSIGNMENT SHALL BE VALID AND BINDING AGAINST THE ISSUER, PURCHASERS THEREOF, CREDITORS AND ALL OTHER PARTIES HAVING CLAIMS AGAINST THE ISSUER IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF AND WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION, FILING, OR FURTHER ACT;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Bond Trustee the entire amount due or to become due hereon, or certain securities as herein permitted and shall keep, perform, and observe all the covenants and conditions pursuant to the terms of this 2022 Bond Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Bond Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this 2022 Bond Indenture and the rights hereby granted shall cease, determine, and be void; otherwise this 2022 Bond Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and with the respective Beneficial Owners from time to time of the Bonds as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. All defined words and phrases used but not otherwise defined in this 2022 Bond Indenture shall have the meaning given and ascribed to such words and phrases in Article I of the 2022 Agreement.

Section 1.02. Recital Incorporation. The recitals set forth in the beginning of this 2022 Bond Indenture are hereby incorporated herein.

[End of Article I]

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under this 2022 Bond Indenture except in accordance with this Article. The total original principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$[Amount].

Section 2.02. Bonds Equally and Ratably Secured; Bonds Not Obligation of Issuer. All Bonds issued under this 2022 Bond Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference under and by virtue of this 2022 Bond Indenture, and shall all be equally and ratably secured hereby. The Bonds shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer.

Section 2.03. Authorization of Bonds.

(a) There is hereby authorized to be issued hereunder and secured hereby a series of bonds designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery),” which shall be numbered consecutively upward from R-1.

(b) The Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Bonds. The Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2022, at the rate per annum of [] percent ([]%) and shall mature on June 1, 20[49]. Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on the Bonds exceed the Maximum Rate.

(c) The Bonds shall be issued in Authorized Denominations and shall be dated the Delivery Date. The Bonds are subject to prior redemption as herein set forth and shall be substantially in the form and tenor hereinabove recited with appropriate variations, omissions, and insertions as are permitted or required by this 2022 Bond Indenture.

(d) The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, upon presentation and surrender of the Bonds. Payment of interest on any Bond shall be made to the person who is the registered owner thereof at the close of business on the Regular Record Date for such Interest Payment Date by check mailed by the Bond Trustee on such Interest Payment Date to such registered owner at its address as it appears on the registration records kept by the Bond Trustee or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal, premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner of such Bond at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any

such defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first class postage prepaid mail to each such registered owner as shown on the registration records, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed upon between the Beneficial Owners of any Bonds and the Bond Trustee. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and premium, if any, and interest on any Bonds that are subject to the book entry system as provided in Article II of this 2022 Bond Indenture shall be made in accordance with the rules, regulations and procedures established by the securities depository in connection with the book entry system.

Section 2.04. Execution of Bonds, Signatures. The Bonds shall be executed on behalf of the Issuer by its authorized signatory and its corporate seal shall be thereunto affixed and attested by an authorized signatory. The signatures of such authorized signatories and the seal of the Issuer may be in facsimile. In case any officer who shall have signed any of the Bonds shall cease to hold such office and any of such Bonds shall have been authenticated by the Bond Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Bond Trustee, and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Registration and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this 2022 Bond Indenture to be kept by the Bond Trustee which is hereby appointed the bond registrar of the Issuer for the Bonds. Upon surrender for transfer of any fully registered Bond at the Payment Office of the Bond Trustee, duly endorsed for transfer or accomplished by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like Aggregate Principal Amount for a like principal amount, maturity, and series.

The Issuer shall execute and the Bond Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Bond Trustee shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business fifteen days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

As to any Bond, 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 principal of or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Bond Trustee shall require the payment by any Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed, and Mutilated Bonds. Upon receipt by the Bond Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Bond and, in the case of a lost, stolen, or destroyed Bond, of indemnity satisfactory to it, and upon surrender and cancellation of the Bond if mutilated, (i) the Issuer shall execute, and the Bond Trustee shall authenticate and deliver, a new Bond of the same date, maturity and series as the lost, stolen, destroyed or mutilated Bond in lieu of such lost, stolen, destroyed, or mutilated Bond or (ii) if such lost, stolen, destroyed, or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Issuer may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Bond Trustee in connection with the issue of such new Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds, negotiable instruments, or other securities. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such duplicate Bond was issued presents for payment such original Bond, the Corporation or the Bond Trustee shall be entitled to recover upon such new Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Corporation or the Bond Trustee in connection therewith.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this 2022 Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Bonds and deliver them to the initial purchasers thereof as directed by the Issuer and as hereinafter in this Section provided.

Prior to the delivery by the Bond Trustee of any of the Bonds there shall be filed with and delivered to the Bond Trustee at least:

- (a) A Certified Resolution authorizing the execution and delivery of the 2022 Agreement and this 2022 Bond Indenture and the issuance of the Bonds.
- (b) Original executed counterparts of the 2022 Agreement, this 2022 Bond Indenture, Supplement Number 6, and the Tax Agreement.
- (c) The Series 2022A Obligation, duly executed and authenticated and duly assigned and payable to the Bond Trustee.
- (d) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its authorized signatory to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer of a sum specified in such request and authorization, together with instructions as to the disposition of the proceeds of the Bonds.
- (e) An Opinion of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Bonds is excludable from gross income for federal income tax purposes and that each of the instruments to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability.

(f) Notice to the Wisconsin Department of Revenue as required by Section 66.0304(5)(e) of the Wisconsin Statutes.

Section 2.08. Bond Trustee's Authentication Certificate. The Bond Trustee's authentication certificate upon the Bonds shall be substantially in the form and tenor hereinbefore provided. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Bond Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09. Intentionally Omitted.

Section 2.10. Intentionally Omitted.

Section 2.11. Cancellation and Destruction of Bonds By the Bond Trustee. Whenever any Outstanding Bonds shall be delivered to the Bond Trustee for the cancellation thereof pursuant to this 2022 Bond Indenture, upon payment of the principal amount or interest represented thereby or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and treated in accordance with the Bond Trustee's standard retention policies. In the event of destruction of the Bonds by the Bond Trustee, a certificate of destruction evidencing such destruction shall be furnished by the Bond Trustee to the Issuer and the Corporation upon written request.

Section 2.12. Book Entry Only System. The Bonds shall be initially issued in the form of a single fully registered Bond for each maturity of the Bonds registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.13 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Trustee shall have no responsibility or obligation to any participant in DTC (a "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this 2022 Bond Indenture. Without limiting the immediately preceding sentence, the Issuer and the Bond Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the registration books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder as shown in the registration books, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this 2022 Bond Indenture to the contrary, the Issuer and the Bond Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the registration books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the registration books as provided in this 2022 Bond Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the registration books, shall receive a Bond certificate evidencing the obligation

of the Issuer to make payments of principal, premium, if any, and interest, pursuant to this 2022 Bond Indenture. Upon delivery by DTC to the Bond 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 in this 2022 Bond Indenture with respect to payment of interest to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this 2022 Bond Indenture shall refer to such new nominee of DTC.

Section 2.13. Successor Securities Depository; Transfers Outside Book Entry Only System.

(i) In the event that the Corporation determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC (the "DTC Letter") and that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Issuer, at the direction of the Corporation, shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants, identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants, identified by DTC, having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the registration books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this 2022 Bond Indenture.

(ii) Upon the written consent of 100% of the Beneficial Owners of the Bonds, the Bond Trustee, in accordance with the DTC Letter, shall withdraw the Bonds from DTC, and authenticate and deliver Bonds fully registered to the assignees of DTC or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the Persons requesting such withdrawal, authentication and delivery.

Section 2.14. Payments to Cede & Co. Notwithstanding any other provision of this 2022 Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, such Bond and all notices, transfers and deliveries with respect to such Bond shall be made and given, respectively, in the manner provided in the DTC Letter.

Section 2.15. Purchase and Transfer Restrictions. Notwithstanding any other provision hereof, each initial Beneficial Owner of the Bonds shall either be (i) a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended); or (ii) an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) that, in either case, has provided an "Investor Letter" in the form of Exhibit A hereto to the Issuer. Thereafter, neither the Bonds nor any beneficial ownership interest in the Bonds may be transferred by the Bondholder or any Beneficial Owner thereof except (A) in Authorized Denominations and (B) to any person that is either a "Qualified Institutional Buyer" or an "accredited investor" (and, in the case of any accredited investor who is not a Qualified Institutional Buyer, in a minimum principal amount of \$25,000 regardless of any lower minimum denomination authorized hereby). The Issuer may remove the foregoing restrictions without notice to or consent of any beneficial owner. At such time as the Corporation shall provide to the Issuer and the Bond Trustee written evidence to the effect that the Bonds have received an Investment Grade Rating, this Section shall be of no further force or effect and the Authorized Denominations of the Bonds shall be changed (if

necessary) to denominations of \$5,000 or any integral multiple thereof, in each case, notwithstanding whether at a future time the Bonds are no longer rated in such rating category.

[End of Article II]

ARTICLE III REVENUES AND FUNDS

Section 3.01. Application of Proceeds of Bonds. The Issuer will sell and cause to be delivered to the initial purchasers thereof the Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

(i) Transfer, to UMB Bank, National Association, as the bond trustee for the Series 2016 Bonds, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of this 2022 Bond Indenture, such amount to be used to redeem the Refunded Bonds.

(ii) Deposit, into the Cost of Issuance Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

Section 3.02. Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) Bond Fund” (the “Bond Fund”). There are hereby created by the Issuer and ordered established with the Bond Trustee two separate accounts within the Bond Fund to be designated as the Principal Account and the Interest Account, respectively. Moneys on deposit in the Principal Account shall be used to pay the principal of and premium, if any, on the Bonds, when due and payable. Moneys on deposit in the Interest Account shall be used to pay the interest on the Bonds.

Section 3.03. Payments into the Bond Fund. There shall be deposited into the Principal Account or the Interest Account, as and when received, (i) all payments on the Series 2022A Obligation, (ii) all moneys transferred to the Bond Fund from the Parity Debt Service Reserve Fund, (iii) all other moneys required to be deposited therein pursuant to the 2022 Agreement, and (iv) all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the Principal Account or the Interest Account. There also shall be retained or deposited in the Principal Account or the Interest Account all interest and other income received on investments or moneys required to be transferred thereto, in accordance with Section 6.02 hereof. The Issuer hereby covenants and agrees that so long as any of the Bonds are Outstanding it will deposit, or cause to be deposited, into the Principal Account or the Interest Account for its account sufficient sums from revenues and receipts derived from the 2022 Agreement promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable.

Section 3.04. Administration Expense Fund; Administration Expenses. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) Administration Expense Fund” (the “Administration Expense Fund”). Moneys shall be deposited in the Administration Expense Fund pursuant to Section 5.7 of the 2022 Agreement (other than Bond Trustee’s fees and expenses that may be retained by the Bond Trustee) and such moneys shall be disbursed as directed in writing by the Corporation to the Issuer or other parties to which Administration Expenses are owed.

The Bond Trustee shall transfer all Administration Expenses owed to or for the benefit of the Issuer promptly upon receipt thereof from the Corporation to the Issuer at the address specified herein for notice to Issuer or as otherwise directed by Issuer; except that payments of the Annual Fee shall be remitted to Issuer at the times specified in the 2022 Agreement.

Section 3.05. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Principal Account or the Interest Account of the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same come due and payable, which authorization and direction the Bond Trustee hereby accepts. If on any Interest Payment Date there are insufficient funds in the Bond Fund with which to pay the principal of and interest on the Bonds, the Bond Trustee shall deposit or cause to be deposited moneys into the Bond Fund from the Parity Debt Service Reserve Fund.

Section 3.06. Intentionally Omitted.

Section 3.07. Intentionally Omitted.

Section 3.08. Intentionally Omitted.

Section 3.09. Intentionally Omitted.

Section 3.10. Intentionally Omitted.

Section 3.11. Nonpresentment of Bonds. If the Bonds are no longer in book entry form, in the event that any Bonds shall not be presented for payment when the principal thereof or interest thereon becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof shall have been deposited into the Bond Fund or otherwise made available to the Bond Trustee for deposit therein as provided in Section 3.03 hereof, all liability of the Issuer to the Beneficial Owner or Beneficial Owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Beneficial Owner or Beneficial Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this 2022 Bond Indenture or on, or with respect to, said Bond, and all such funds shall remain uninvested. If any Bond shall not be presented for payment within the period of two years following the date of final maturity of such Bond, the Bond Trustee shall, to the extent required by law, transfer such funds to the state treasury of the state in which the designated office of the Bond Trustee is located, in which case the Beneficial Owner of such Bonds shall look only to such state for payment, or, in the alternative, to the extent permitted by law, the Bond Trustee shall, upon request in writing by the Corporation, return such funds to the Corporation free of any trust or lien and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Corporation. In either event, the Bond Trustee shall have no further responsibility with respect to such moneys or payment of such Bonds. Thereafter, the Bondholders shall be entitled to look only to the Corporation for payment, and then only to the extent of the amount so repaid by the Bond Trustee. The Corporation shall not be liable for any interest on any sums paid to it.

Section 3.12. Bond Trustee's and Paying Agents' Fees, Charges, and Expenses. Pursuant to the provisions of the 2022 Agreement, the Corporation has agreed to pay to the Bond Trustee and to each Paying Agent, commencing with the effective date of the 2022 Agreement and continuing until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this 2022 Bond Indenture, the reasonable and necessary fees and expenses (including attorneys' fees) of the Bond Trustee and each Paying Agent, as and when the same become due, upon the submission by the Bond Trustee and each Paying Agent of a statement therefor.

Section 3.13. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee under any provision of this 2022 Bond Indenture (except moneys in the Rebate Fund) shall be held by the Bond Trustee in trust for the purposes specified in this 2022 Bond Indenture, and except for moneys deposited with or paid to the Bond Trustee for the redemption of Bonds for which the notice of redemption has been duly given, shall, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 3.14. Repayment to the Corporation from the Funds. Any amounts remaining in the Bond Fund after payment in full of the Bonds (or after making provision for such payment), the fees and expenses of the Bond Trustee and the Paying Agents (including attorneys' fees, if any), the Administration Expenses, and all other amounts required to be paid hereunder and under the 2022 Agreement shall be paid to the Corporation upon the termination of the 2022 Agreement.

Section 3.15. Rebate Fund. A special Rebate Fund is hereby established by the Issuer. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation the Bondholders. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section. The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of this 2022 Bond Indenture. Notwithstanding the foregoing, the Bond Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder. Moneys in the Rebate Fund will be held in trust by the Bond Trustee and will be held for future payment to the United States of America as directed by the Corporation and as contemplated under the provisions of the Tax Agreement.

Section 3.16. Administrative Cost Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) Administrative Cost Fund" (the "Administrative Cost Fund"). The Bond Trustee shall deposit the additional payments which the Corporation notifies the Bond Trustee is for payment of the Issuer's Annual Fee pursuant to Section 5.7 of the 2022 Agreement into the Administrative Cost Fund and promptly upon receipt thereof from the Corporation, disburse to the Issuer at the address provided in Section 11.09 hereof.

Section 3.17. Cost of Issuance Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) Cost of Issuance Fund" (the "Cost of Issuance Fund"). The Bond Trustee shall disburse moneys in the Cost of Issuance Fund as provided in Article IV of the 2022 Agreement. Moneys in the Cost of Issuance Fund may be used only for payment of the Cost of Issuance. On August 31, 2022, any moneys remaining in the Cost of Issuance Fund shall be transferred to the Interest Account of the Bond Fund, and thereafter no such moneys shall be used to pay Costs of Issuance. The Cost of Issuance Fund shall then be closed.

[End of Article III]

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01. Performance of Covenants: Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this 2022 Bond Indenture, in any and every Bond and in all proceedings of the Board of Directors pertaining hereto; provided, however, that except for the covenant of the Issuer set forth in Section 4.02 hereof relating to payment of the Bonds, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Issuer shall have received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer covenants that it is duly authorized under the laws of the State (including particularly and without limitation the Act and the Amended and Restated Joint Exercise of Powers Agreement, dated September 28, 2010 (the "Joint Exercise Agreement"), by and among Adams County, Wisconsin; Bayfield County, Wisconsin; Marathon County, Wisconsin; Waupaca County, Wisconsin; and the City of Lancaster, Wisconsin or any other political subdivision designated from time to time as a "Member" of the Issuer pursuant to the Joint Exercise Agreement) to issue the Bonds and to execute this 2022 Bond Indenture, and to pledge the revenues and receipts hereby pledged, and to assign its rights under and pursuant to the 2022 Agreement and the Series 2022A Obligation in the manner and to the extent herein set forth, that all action on its part and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this 2022 Bond Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds in the hands of the Beneficial Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import hereof, except as enforcement thereof and hereof may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and by the application of general principles of equity, if such remedies are pursued.

Section 4.02. Payments of Principal, Premium, If Any, and Interest. The Issuer will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from revenues and other amounts derived from the Series 2022A Obligation, and from the other security pledged hereby, which revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this 2022 Bond Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 4.03. Supplemental Indentures; Filings. The Issuer will execute and deliver all indentures supplemental hereto, and will cause all financing statements relating to this 2022 Bond Indenture and any indentures supplemental hereto, to be filed in each office required by law in order to publish notice of the liens created by this 2022 Bond Indenture and the 2022 Agreement. Provided the Bond Trustee timely receives a copy of the original financing statements filed, the Bond Trustee, at the Corporation's expense, will cause all continuation statements to any financing statement or continuation statement as may be required, at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and all rights of the Bond Trustee hereunder; provided that unless otherwise notified in writing by the Corporation or Issuer, the Bond Trustee shall be protected in relying upon the original financing statements in filing any continuation statements hereunder.

The Bond Trustee shall not be responsible for and makes no representation as to existence, genuineness, value or protection of any collateral, for the legality, effectiveness or sufficiency of any

security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Bonds.

Section 4.04. Lien of Bond Indenture. The Issuer hereby agrees not to create any lien having priority or preference over the lien of this 2022 Bond Indenture upon the Trust Estate or any part thereof, other than the security interest granted by it to the Bond Trustee, except as otherwise specifically provided in Article VIII hereof. The Issuer agrees that no obligations the payment of which is secured by payments or other moneys or amounts derived from the 2022 Agreement and the other sources provided herein will be issued by it.

Section 4.05. Rights Under the 2022 Agreement. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the 2022 Agreement. The Issuer agrees that wherever in the 2022 Agreement it is stated that the Issuer will notify the Bond Trustee, give the Bond Trustee some right or privilege, or in any way attempts to confer upon the Bond Trustee the ability for the Bond Trustee to protect the security for payment of the Bonds, that such part of the 2022 Agreement shall be as though it were set out in this 2022 Bond Indenture in full.

The Issuer agrees that the Bond Trustee as assignee of the 2022 Agreement may enforce, in its name or in the name of the Issuer, all rights of the Issuer (except those rights to indemnification and payment under Sections 5.7, 7.5 and 9.5 thereof) and all obligations of the Corporation under and pursuant to the 2022 Agreement for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 4.06. Tax Covenants.

(a) The Issuer covenants and agrees that until the final maturity of the Bonds, based upon the Corporation's covenants in Section 4.3 of the 2022 Agreement, it will not take any action, use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be arbitrage bonds, within the meaning of Section 148 of the Code. In the event the Corporation notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Bond Trustee pursuant to this 2022 Bond Indenture, or to use such moneys in any certain manner to avoid the Bonds being considered arbitrage bonds, the Issuer at the written direction and expense of the Corporation shall deliver to the Bond Trustee appropriate written instructions of the Issuer, in which event the Bond Trustee shall take such action as instructed to restrict or limit the yield on such investment or to use such moneys in accordance with such instructions.

(b) The Issuer shall not knowingly use any proceeds of the Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take any other action or actions, that would result in any of the Bonds being treated other than as an obligation described in Section 103(a) of the Code.

(c) The Issuer will not knowingly use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, to make or finance loans to Persons who are not Exempt Persons. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a loan to a Person who is not an Exempt Person.

(d) The Issuer will not knowingly take any action that would result in all or any portion of the Bonds being treated as federally guaranteed within the meaning of Section 149(b)(2) of the Code.

(e) For purposes of this Section, the Issuer's compliance shall be based solely on acts or omissions by the Issuer, and no acts, omissions or directions of the Corporation, the Bond Trustee or any other Persons shall be attributable to the Issuer.

Section 4.07. Change in Law. To the extent that published rulings of the Internal Revenue Service, or amendments to the Code or the Regulations modify the covenants of the Issuer that are set forth in this 2022 Bond Indenture or that are necessary for interest on the Bonds to be excludable from gross income for federal income tax purposes, the Issuer, upon receiving the written Opinion of Bond Counsel to such effect, will comply, at the expense of the Corporation, with such modifications and direct the Bond Trustee to take such action as may be required to comply with such modifications.

[End of Article IV]

ARTICLE V REDEMPTION OF BONDS

Section 5.01. Optional Redemption of Bonds.

(a) The Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20[] or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20[] through May 31, 20[]	[104%
June 1, 20[] through May 31, 20[]	103%
June 1, 20[] through May 31, 20[]	102%
June 1, 20[] through May 31, 20[]	101%
June 1, 20[] and thereafter	100%

Upon the delivery of the above-referenced written optional redemption direction of the Corporation to the Bond Trustee, the Issuer shall be deemed, without any action on its part, to have exercised its option to redeem any of the Bonds, as applicable, under this section.

Section 5.02. Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

‡ Maturity

(b) On or before the thirtieth day prior to each sinking fund payment date, the Bond Trustee shall proceed to select for redemption (by lot in such manner as the Bond Trustee may determine) from all Bonds Outstanding a principal amount of such Bonds equal to the Aggregate Principal Amount of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next June 1, and give notice of such call. At the option of the Corporation to be exercised by delivery of a written certificate to the Bond Trustee on or before the forty fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Bonds or portions thereof in an Aggregate Principal Amount desired by the Corporation or (ii) specify a principal amount of Bonds or portions thereof, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by

the Bond Trustee at the request of the Issuer and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at 100% of the principal amount thereof against the obligation to redeem Bonds on the next succeeding or any other sinking fund redemption date designated in writing by the Corporation. Any excess shall be credited against the next sinking fund redemption obligation to redeem Bonds. In the event that the Corporation shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be canceled.

Section 5.03. Method of Selection of Bonds in Case of Partial Redemption.

(a) In the event that less than all of the Outstanding Bonds or portions thereof are to be redeemed as provided in Sections 5.01 or 5.08 hereof, the Corporation may select the particular maturities to be redeemed. If less than all Bonds or portions thereof of a single maturity are to be redeemed, they shall be selected by the Securities Depository in accordance with its procedure or by lot in such manner as the Bond Trustee may determine.

(b) If a Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Section 5.04. Notice of Redemption. Bonds shall be called for redemption by the Bond Trustee as herein provided upon receipt by the Bond Trustee not more than sixty (60) nor less than thirty (30) days prior to the redemption date of a certificate of the Corporation specifying the principal amount of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this 2022 Bond Indenture pursuant to which such Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the redemption of Bonds pursuant to the sinking fund requirements provided in Section 5.02 hereof and such Bonds shall be called for redemption by the Bond Trustee without the necessity of any action by the Corporation or the Issuer. In case of every redemption, the Bond Trustee shall cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration books, in each case not more than sixty (60) nor less than thirty (30) days prior to the redemption date. In addition, notice of redemption shall be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any owner of \$1,000,000 or more in principal amount of Bonds and (B) to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption shall be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any owner of Bonds selected for redemption that has not surrendered the Bonds called for redemption, at the address as the same shall last appear upon the registration books.

Notwithstanding the foregoing, upon the written direction of the Corporation, the notice of redemption for optional redemption pursuant to Section 5.01 hereof shall contain a statement to the effect that the redemption of the Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Issuer shall not be required to redeem such Bonds and such Bonds shall not become due and payable.

All notices of redemption shall state:

- (a) the redemption date,
- (b) the redemption price,
- (c) the identification, including complete designation (including series) and issue date of the Bonds and the CUSIP number (and in the case of partial redemption, certificate number and the respective principal amounts, interest rates and maturity dates) of the Bonds to be redeemed,
- (d) that on the redemption date the redemption price will become due and payable upon each such Bonds, and that interest thereon shall cease to accrue from and after said date,
- (e) the name and address of the Bond Trustee and any paying agent for such Bonds, including the place where such Bonds are to be surrendered for payment of the redemption price and the name and phone number of a contact person at such address.

Provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds.

Section 5.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the business day prior to the redemption date specified in the notice of redemption, an amount of money sufficient to redeem all Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Bond Trustee. If at the time of mailing of notice of any optional redemption moneys sufficient to redeem all of the Bonds called for redemption are not on deposit with the Bond Trustee, such notice may state that is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. On the redemption date the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article V, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof.

Section 5.06. Cancellation. All Bonds which have been redeemed shall be cancelled by the Bond Trustee and retained as provided in Section 2.11 hereof.

Section 5.07. Partial Redemption of Fully Registered Bonds. Upon surrender of any fully registered Bond for redemption in part only, the Issuer shall execute and the Bond Trustee shall authenticate and deliver to the owner thereof, at the expense of the Corporation, a new Bond or Bonds of the same series and maturity of Authorized Denominations in an Aggregate Principal Amount equal to the unredeemed portion of the Bond surrendered.

Section 5.08. Extraordinary Redemption. The Bonds shall be subject to optional redemption by the Issuer at the direction of the Corporation in the event of (a) or (b) below and subject to mandatory redemption without such direction in the case of (c) below prior to their maturities, in whole or in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date, plus the unamortized amount of any original issue premium on the Bonds being redeemed with respect to the events described in (a) or (b) below and, with respect to a Determination of Taxability described in

(c) below, plus the greater of (1) the unamortized amount of any original issue premium on the Bonds being redeemed and (2) three percent (3%) of the principal amount of such Bonds, as follows:

(a) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount (as defined in the Master Indenture) and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or

(b) as a result of any changes in the Constitution or laws of the State or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the 2022 Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the 2022 Agreement; or

(c) upon the occurrence of a Determination of Taxability.

Section 5.09. Purchase in Lieu of Redemption. If any Bond is called for optional redemption in whole or in part, the Issuer shall, at the direction of the Corporation, elect to have such Bond purchased in lieu of redemption.

Purchase in lieu of redemption shall be available to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. Purchase in lieu of redemption shall also be available to all Bonds called for sinking fund redemption in accordance with any amortization schedule or sinking fund requirements set forth in Section 5.02 hereof or in the Bonds. The Issuer shall, at the direction of the Corporation, direct the Bond Trustee to purchase all or such lesser portion of the Bonds so called for redemption. Any such direction to the Bond Trustee must be in writing, state either that all the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by series, maturity date and outstanding principal amount in Authorized Denominations, and be received by the Bond Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Bond Trustee shall purchase such Bonds on the date which otherwise would be the redemption date of such Bonds. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the 2022 Bond Indenture on such redemption date.

On or prior to the scheduled redemption date, any direction given to the Bond Trustee shall, at the direction of the Corporation, be withdrawn by the Issuer by written notice to the Bond Trustee. Subject generally to this 2022 Bond Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Bonds shall occur.

The purchase shall be made for the account of the Corporation or its designee.

To pay the purchase price of such Bonds, the Bond Trustee shall use such funds (A) deposited by the Corporation with the Bond Trustee for such purpose and (B) funds, if any, held under the 2022 Bond Indenture that the Bond Trustee would have used to pay the outstanding principal of, accrued and interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the scheduled redemption date. The Bond Trustee shall not purchase the Bonds pursuant to the above

provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Bond Trustee, or such moneys are deposited but are not available.

No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under the Bonds).

[End of Article V]

ARTICLE VI INVESTMENTS

Section 6.01. Investment of Funds. Any moneys held as part of the Bond Fund or Costs of Issuance Fund shall be invested or reinvested by the Bond Trustee at the written request and direction of the Corporation (upon which the Bond Trustee is entitled to rely) in Permitted Investments. Absent such written request and direction, the Bond Trustee shall invest and re-invest in Government Obligations or a money market fund which constitutes a Permitted Investment described in clause (i) of the definition thereof. The funds in the Administration Expense Fund and Administrative Costs Fund shall be held uninvested. All Permitted Investments shall be either subject to redemption at any time at a fixed value at the option of the owner thereof or shall mature or be marketable not later than the business day prior to the date on which the proceeds are expected to be expended. For the purpose of any investment or replacement under this Section, the Permitted Investments shall be deemed to mature at the earliest date on which the Corporation is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. The Bond Trustee may make any and all investments permitted by the provisions of this Section through its trust department. In order to comply with the directions of the Corporation, the Bond Trustee may sell, or present for redemption, or may otherwise cause liquidation prior to their maturities, any of the obligations in which funds have been invested, and the Bond Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event of any need for funds, the Corporation may instruct the Bond Trustee, in lieu of a liquidation or redemption of investments in the fund or account needing funds, to exchange such investment for investments in another fund or account that may be liquidated at no, or at reduced, loss. The Bond Trustee shall be under no liability for interest on any moneys received hereunder unless specifically agreed to in writing.

Section 6.02. Allocation and Transfers of Investment Income. Any investments in any Fund shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. The Bond Trustee shall not be liable for any loss or penalty resulting from any such investment made in accordance with any permitted direction by the Obligated Group Representative or for the Bonds becoming "arbitrage bonds" by reason of any such investment. Any interest or other gain from any fund from any investment or reinvestment pursuant to Section 6.01 hereof shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Costs of Issuance Fund shall be credited to the Interest Account of the Bond Fund.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Principal Account and the Interest Account of the Bond Fund shall be credited at least semiannually to the Interest Account unless a deficiency exists in the Parity Debt Service Reserve Fund, in which case such interest or other gain shall be paid into such fund forthwith.

The Bond Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in any fund is insufficient for the purposes of such fund.

Section 6.03. Valuation of Permitted Investments. Accounting and valuation of Permitted Investments in any Fund or Account will be performed as follows:

(a) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts and disbursements of Permitted Investments in any Fund and Account covering such period.

(b) The Bond Trustee shall also furnish on or before January 15 and July 15 of each year a statement of the assets contained in each Fund and Account. Assets will be presented in such statements at market value as of December 31 and June 30, respectively, determined in accordance with the normal valuation procedures of the Bond Trustee.

(c) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts of the interest earned on Permitted Investments in any Fund and account covering such period.

[End of Article VI]

ARTICLE VII
DISCHARGE OF BOND INDENTURE

Section 7.01. Discharge of the 2022 Bond Indenture. If, when the Bonds secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this 2022 Bond Indenture and the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder (including but not limited to the fees and expenses of the Bond Trustee and any Paying Agent, in accordance with Section 3.12 hereof), then the right, title and interest of the Bond Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the written request of the Issuer or of the Corporation, and upon receipt of an Opinion of Counsel to the effect that all conditions precedent herein provided relating to the satisfaction and discharge of this 2022 Bond Indenture have been complied with, the Bond Trustee shall execute such documents as may be reasonably required by the Issuer and shall turn over to the Corporation any surplus in the Bond Fund.

All Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Section if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Bond Trustee in form satisfactory to it irrevocable written instructions to give on a date in accordance with the provisions of Section 5.04 hereof notice of redemption of such Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.04 hereof, (ii) there shall have been deposited with the Bond Trustee (or another Paying Agent) either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, or any other Person other than the holder thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Bond Trustee or any Paying Agent at the same time (including the Bond Fund), shall be sufficient, as evidenced by a verification report containing the opinion of an independent certified public accountant, to pay when due the principal of, premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (iii) there shall have been submitted to the Issuer and the Bond Trustee an opinion of Bond Counsel to the effect that the defeasance of the Bonds in accordance with this Article will not cause interest on the Bonds to become includable in gross income for federal income tax purposes and (iv) in the event that said Bonds are not by their terms subject to redemption within the next forty-five (45) days, the Corporation shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.04 hereof, a notice to the owners of such Bonds that the deposit required by subclause (ii) above has been made with the Bond Trustee (or another depository) and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds. Neither the Government Obligations nor moneys deposited with the Bond Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; provided any such cash received from such principal or interest payments on such Government Obligations deposited with the Bond Trustee, if not then needed for such purpose, shall, at the written direction of the Corporation, either (1) be reinvested, to the extent practicable, in Government Obligations of the type described in clause (ii) of this paragraph bearing the highest rating available maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be or (2) be used to pay principal and/or interest on the Bonds. At such time as any Bond shall be deemed paid as aforesaid, it shall no longer be secured

by or entitled to the benefits of this 2022 Bond Indenture, except for the purpose of any payment from such moneys or Government Obligations deposited with the Bond Trustee and the purpose of transfer and exchange pursuant to Section 2.05 hereof.

The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Bond Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable and necessary expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

[End of Article VII]

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01. Events of Default. If any of the following events occur, it is hereby defined as and shall be deemed an “Event of Default”:

(a) Default in the payment of the principal or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, or upon proceedings for redemption or as required by any amortization schedule or sinking fund requirements set forth in this 2022 Bond Indenture or in the Bonds.

(b) Default in the payment of any installment of interest on any Bond when the same shall become due and payable.

(c) An event of default under any of the Bond Documents.

(d) Failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions in its part in this 2022 Bond Indenture or in the Bonds contained, which failure shall continue for a period of 60 days after written notice specifying such failure and requesting that it be remedied, is given to the Issuer and the Corporation by the Bond Trustee or to the Issuer, the Corporation and to the Bond Trustee by the Beneficial Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding; provided that such failure is the result of the failure of the Corporation to perform its obligations under the 2022 Agreement.

(e) An Event of Bankruptcy with respect to the Corporation.

Section 8.02. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Bond Trustee shall have the following rights and remedies:

(a) The Bond Trustee shall, in the event that the payment of the principal of and accrued interest on the Series 2022A Obligation has been declared due and payable immediately by the Master Trustee, by notice in writing given to the Issuer and the Corporation, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee shall give notice to the Bondholders in the same manner as a notice of redemption under Article V hereof, stating the date upon which the Series 2022A Obligation and the Bonds shall be payable.

The provisions of the preceding paragraph, however, are subject to the condition that if, after the payment of the principal of, and accrued interest on, the Series 2022A Obligation and the Bonds has been declared due and payable immediately, the declaration of the acceleration of the Series 2022A Obligation shall be annulled in accordance with the provisions of the Master Indenture, the declaration of the acceleration of the Bonds shall be automatically annulled, and the Bond Trustee shall promptly give written notice of such annulment to the Issuer and the Corporation and notice to Bondholders in the same manner as a notice of redemption under Article V hereof; but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon;

(b) The Bond Trustee may, by mandamus, or other suit, action or proceeding at law or in equity, enforce the rights of the Bondholders, and require the Issuer or the Corporation or both

of them to carry out the agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act, the 2022 Agreement and this 2022 Bond Indenture.

(c) The Bond Trustee may, by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Bondholders but any such judgment against the Issuer shall be enforceable only against the funds and accounts hereunder in the hands of the Bond Trustee (excluding the Rebate Fund).

(d) The Bond Trustee may, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(e) The Bond Trustee may, upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

(f) The Bond Trustee may make withdrawals from any fund or account that is part of the Trust Estate to pay debt service on the Bonds, pay costs and expenses (including attorneys' fees) of the Bond Trustee and for other purposes as directed by Majority Bondholders.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.03. Majority of Bondholders May Control Proceedings. Anything in this 2022 Bond Indenture to the contrary notwithstanding the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method, and place of conducting all proceedings, to be taken in connection with the enforcement of the terms and conditions of this 2022 Bond Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Bond Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 9.01(m) hereof is provided to it by such Bondholders.

Section 8.04. Rights and Remedies of Bondholders. No Beneficial Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this 2022 Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other applicable remedy hereunder, unless a default has occurred of which the Bond Trustee has been notified as provided in Section 9.01 hereof, or of which by said Section it is deemed to have notice, nor unless such default shall have become an Event of Default and the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding shall have made written request to the Bond Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in their own names, nor unless they have also offered to the Bond Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Bond 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 Bond Trustee to be conditions precedent to the execution of the powers and trusts of this 2022 Bond Indenture, and to any action or cause of action for the enforcement of this 2022 Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Beneficial Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb, or prejudice the lien of this 2022 Bond Indenture by its 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 Beneficial Owners of all Bonds then Outstanding. Nothing in this 2022 Bond Indenture contained shall, however, affect or impair the right of any Beneficial Owner of Bonds to enforce the payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Beneficial Owners of the Bonds at the time and place, from the source and in the manner herein, and in the Bonds expressed.

Section 8.05. Application of Moneys.

(a) Subject to the provisions of subparagraph (c) hereof, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article together with all funds held by the Bond Trustee hereunder (other than the Rebate Fund) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the outstanding fees of the Bond Trustee and the expenses, indemnification payments, liabilities, and advances incurred or made by the Bond Trustee, be deposited into the Bond Fund, and all moneys so deposited into the Bond Fund and all moneys held in or deposited into the Bond Fund during the continuance of an Event of Default and available for payment of the Bonds under the provisions hereof shall (after payment of the fees and expenses of the Issuer and the Issuer Indemnified Persons, and any other payments due them in respect of the Reserved Rights (including, without limitation, indemnification payments); provided, that payment of amounts due to the Issuer or the Issuer Indemnified Persons under this section shall not absolve the Corporation from liability therefor except to the extent of the amounts received from the Bond Trustee outside of all applicable preference periods) be applied as follows:

First. To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds 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 of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this 2022 Bond Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due at the rate of interest borne by such Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee 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. Whenever the Bond 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 Bond Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such unpaid Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Bond Trustee and the Paying Agents and all Administration Expenses have been paid, any balance remaining in any funds shall be paid to the Corporation as provided in Section 3.14 hereof.

Section 8.06. Bond Trustee May Enforce Rights Without Bonds. All rights of action and claims under this 2022 Bond Indenture or any of the Bonds Outstanding hereunder may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bonds and any recovery of judgment shall be for the ratable benefit of the owners of the Bonds, subject to the provisions of this 2022 Bond Indenture.

Section 8.07. Bond Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Corporation, the Bond Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Bond Trustee and of the Bondholders allowed in such proceedings for the entire amount due and payable by the Issuer under the 2022 Bond Indenture or by the Corporation at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Bondholder to file a claim in his, her or its own behalf.

No provision of this 2022 Bond Indenture empowers the Bond Trustee to authorize, consent to, accept or adopt on behalf of any Bondholder any plan or reorganization, arrangement, adjustment or composition affecting any of the rights of any Bondholder, or authorizes the Bond Trustee to vote in respect of the claim in any proceeding described in this Section.

In the event the Bond Trustee incurs expenses or renders services in any proceedings affecting the Corporation and described in this Section, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Bond Trustee or of any Bondholder to exercise any right or power accruing upon any default or Event of Default shall exhaust or 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 power and remedy given by this 2022 Bond Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. Discontinuance of Proceedings on Default, Position of Parties Restored. In case the Bond Trustee shall have proceeded to enforce any right under this 2022 Bond Indenture, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, then and in every such case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 8.10. Enforcement of Rights. The Bond Trustee, as pledgee and assignee for security purposes of all the right, title, and interest of the Issuer in and to the 2022 Agreement (except the Reserved Rights) and the Series 2022A Obligation shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article VIII, be the sole real party in interest in respect of, and shall have standing, exclusive of owners of Bonds to enforce each and every right granted to the Issuer under the 2022 Agreement and under the Series 2022A Obligation. The Issuer and the Bond Trustee hereby agree,

without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of any and all rights of the Issuer in and to the Series 2022A Obligation and the 2022 Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this 2022 Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Issuer or its default hereunder or on the Bonds. Subject to Section 9.01 hereof, after the occurrence and during the continuation of an Event of Default, in exercising such right and the rights given the Bond Trustee under this Article VIII, the Bond Trustee shall take such action as, in the judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to owners of the Series 2022A Obligation.

Section 8.11. Undertaking for Costs. All parties to this 2022 Bond Indenture agree, and each Beneficial Owner of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this 2022 Bond Indenture, or in any suit against the Bond Trustee for any action taken or omitted by it as Bond Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Bond Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by a Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond on or after the respective maturities thereof expressed in such Bond (or, in the case of redemption, on or after the redemption date).

Section 8.12. Waiver of Events of Default. The Bond Trustee shall waive any Event of Default hereunder upon the written request of the Beneficial Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that the Bond Trustee may not waive an Event of Default described in subparagraph (a) of Section 8.01 hereof without the written consent of the Beneficial Owners of all Bonds then Outstanding.

Section 8.13. No Obligation to Enforce Rights. Notwithstanding anything to the contrary in this 2022 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2022 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2022 Bond Indenture or the 2022 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of a default and the obligations of the Corporation under this 2022 Bond Indenture or the 2022 Agreement.

Section 8.14. Non-Impairment of Rights. Nothing in this 2022 Bond Indenture shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article VIII]

ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

Section 9.01. Duties of the Bond Trustee. The Bond Trustee hereby accepts the trust imposed upon it by this 2022 Bond Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this 2022 Bond Indenture against the Bond Trustee:

(a) The Bond 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 2022 Bond Indenture and no implied duties shall be read in to the 2022 Bond Indenture against the Bond Trustee. In case an Event of Default has occurred (which has not been cured) the Bond Trustee shall exercise such of the rights and powers vested in it by this 2022 Bond Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder, either directly or by or through attorneys, agents, receivers, or employees, and the Bond Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care by it hereunder, and shall be entitled to consult with counsel and act upon the written advice or an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trust hereof. The Bond Trustee may act upon any written advice or Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such written advice or Opinion of Counsel.

(c) The Bond Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication by the Bond Trustee endorsed on the Bonds and the acceptance of the trusts hereunder).

(d) The Bond Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or the proceeds thereof, or for any moneys disbursed by the Bond Trustee in accordance with this 2022 Bond Indenture. The Bond Trustee makes no representations as to the validity or sufficiency of this 2022 Bond Indenture or the Bonds. The Bond Trustee is not a party to, is not responsible for, and makes no representations with respect to matters set forth in any official statement, or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee may become the Beneficial Owner of the Bonds with the same rights which it would have if not Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, telephonic transmission or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any request or direction of the Issuer or the Corporation mentioned herein shall be sufficiently evidenced by a written request, order, or consent signed in the name of the Issuer or the Corporation, by the Authorized Signatory, or the Obligated Group Representative, as the case may be. Any action taken by the Bond Trustee pursuant to this 2022 Bond 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 Beneficial Owner of any Bonds shall be conclusive and binding upon all future Beneficial Owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or matter or as to the sufficiency or validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely and shall be protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Corporation by the Authorized Signatory or the Obligated Group Representative or such other person as may be designated for such purpose by Certified Resolution as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Bond Trustee to do things enumerated in this 2022 Bond Indenture shall not be construed as a duty (except as otherwise herein provided) and the Bond Trustee shall not be answerable for other than its own negligence or willful misconduct, except that:

(i) the Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

(ii) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of at least a majority in Aggregate Principal Amount of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this 2022 Bond Indenture; and

(iii) the Bond Trustee shall not be liable if the Bond Trustee reasonably relies in good faith upon an officer's certificate delivered pursuant to this 2022 Bond Indenture or an Opinion of Counsel.

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by Article III hereof unless the Bond Trustee shall be specifically notified in writing of such default by the Issuer or by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding and all notices or other instruments required by this 2022 Bond Indenture to be delivered to the Bond Trustee, must, in order to be effective, be delivered to a Responsible Officer at the designated corporate trust office of the Bond Trustee, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received, but need not be segregated from other funds except to the extent required by this 2022 Bond Indenture or law.

(j) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect the Project, including all books, papers, and records of the Issuer and the Corporation pertaining to the Project and the Bonds.

(k) The Bond 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, and no provision of this 2022 Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have grounds for believing that repayment of such funds or indemnity satisfactory against such risk or liability is not assured to it.

(l) Notwithstanding anything in this 2022 Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this 2022 Bond Indenture, any showings, certificates, opinion, 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 Bond Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Bond Trustee.

(m) Before taking any action under this Section or Article VIII hereof or otherwise taking any action at the request or direction of any holder or Beneficial Owner, the Bond Trustee may require that indemnity reasonably satisfactory to it be furnished to it for the reimbursement of its fees, costs, liabilities and all expenses (including attorneys' fees) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) Except as provided in Section 9.01(a) above, it shall not be the duty of the Bond Trustee, except as expressly provided herein, to see that any duties or obligations imposed herein or in the 2022 Agreement upon the Issuer, the Corporation, or other Persons are performed, and the Bond Trustee shall not be liable or responsible because of the failure of the Issuer, the Corporation, or other Persons to perform any act required of them pursuant to the terms of this 2022 Bond Indenture.

(o) In acting or omitting to act pursuant to the provisions of the 2022 Agreement, the Bond Trustee shall be entitled to and be protected by the rights and immunities accorded to it by the terms of this 2022 Bond Indenture.

(p) The Bond Trustee's immunities and protections from liability in connection with the performance of its duties under this 2022 Bond Indenture shall extend to the Bond Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Bond Trustee's right to compensation, shall survive the Bond Trustee's resignation or removal and final payment of the Bonds.

(q) In no event shall the Bond Trustee 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 Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 9.02. Fees and Expenses of Bond Trustee and Paying Agent. The Issuer agrees, but solely from any funds received from the Corporation pursuant to the 2022 Agreement,

(a) to pay to the Bond Trustee, each Paying Agent and all other agents their reasonable fees for services rendered hereunder as and when the same become due and all expenses (including attorneys' fees) reasonably made or incurred by the Bond Trustee, such Paying Agent or such other

agent in connection with such services as and when the same become due as provided in Section 3.12 hereof; and

(b) to reimburse the Bond Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bond Trustee in accordance with any provisions of this 2022 Bond Indenture (including the reasonable compensation, expenses, and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Bond Trustee.

As security for the performance of the obligations of the Issuer under this Section, the Bond Trustee shall be secured under this 2022 Bond Indenture by a lien prior to the lien securing the Bonds and for the payment of the expenses and reimbursements due hereunder, the Bond Trustee shall have the right to use and apply any trust funds held by it hereunder.

Section 9.03. Resignation or Replacement of Bond Trustee. The present or any future Bond Trustee may resign by giving to the Issuer, the Corporation and each Bondholder thirty days' notice of such resignation. Such resignation shall not be effective until such time as a successor Bond Trustee shall have accepted its appointment. The present or any future Bond Trustee may be removed (a) at any time by an instrument in writing executed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds Outstanding or (b) if an Event of Default hereunder has not occurred and is continuing, by an instrument in writing executed by the Corporation.

In case the present or any future Bond Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Bondholders, or their attorneys in fact duly appointed; provided that the Issuer may, by an instrument executed by order of the Board of Directors, appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The Issuer upon making such appointment shall forthwith give notice thereof to each Bondholder and to the Corporation, which notice may be given concurrently with the notice of resignation given by any resigning Bond Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding. In the event that the Issuer does not so act within thirty days after notice of resignation, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor Bond Trustee.

Every successor Bond Trustee shall always be a bank, banking corporation or trust company with trust powers in good standing, qualified to act hereunder, and having a combined capital and surplus of not less than \$50,000,000. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the predecessor Bond Trustee an instrument accepting such appointment hereunder and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as Bond Trustee herein; but the Bond Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall, upon payment of the expenses, charges and other disbursements which are due and owing to it pursuant to Section 3.12 and Section 9.02 hereof, duly assign, transfer and deliver to the successor all properties and moneys held by it under this 2022 Bond Indenture. Should any instrument in writing from the Issuer be required by any successor for more fully and certainly vesting in and confirming to it all of such estates, properties, rights, powers, and trusts, the Issuer shall, on request of such successor, make, execute, acknowledge, and deliver the deeds, conveyances, and necessary instruments in writing.

The notices herein provided for shall be given by mailing a copy thereof to the Corporation and the registered owners of the Bonds at their addresses as the same shall last appear on the registration books. The instruments evidencing the resignation or removal of the Bond Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Bond Trustee in each recording office where this 2022 Bond Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Bond Trustee. Any bank, banking corporation or trust company into which the Bond Trustee merges or is consolidated, or to which it (or a receiver on its behalf) may sell or transfer its corporate trust business as a whole, or substantially as a whole, shall be the successor of the Bond Trustee under this 2022 Bond Indenture with the same rights, powers, duties, and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have authenticated, but not delivered, any successor Bond Trustee may adopt the certificate of any predecessor Bond Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Bond Trustee may authenticate such Bonds in the name of such successor Bond Trustee.

Section 9.05. Designation and Succession of Paying Agent. The Bond Trustee and any other banks or trust companies, if any, designated as Paying Agent or Paying Agents in any supplemental indenture, shall be the Paying Agent or Paying Agents for the Bonds.

Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this 2022 Bond Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty days thereafter, appoint such bank or trust company as shall be specified by the Corporation and located in the same city as such Paying Agent to fill such vacancy; provided, however, that if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Trustee shall make such appointment.

The Paying Agents, if any, shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 9.01 hereof with respect to the Bond Trustee insofar as such provisions may be applicable.

Section 9.06. Filing of Financing Statements. The Obligated Group shall file or record or cause to be filed or recorded all financing statements that are required in order fully to protect and preserve the security interests granted to the Bond Trustee herein and the priority thereof and the rights and powers of the Bond Trustee in connection therewith. Subject to the terms of Section 4.03, the Bond Trustee shall file or record or cause to be filed or recorded all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which shall have been filed at or prior to the issuance of the Bonds in connection with the security for the Bonds and (ii) any previously filed continuation statements that shall have been filed as required herein. The Bond Trustee shall deliver to the Corporation or its designee all such continuation statements as may be required for the purposes specified in the preceding sentence. Upon the filing of any such financing statement or continuation statement the Corporation shall immediately notify the Issuer and the Bond Trustee that the same has been accomplished.

Section 9.07. Voting Rights with Respect to the Series 2022A Obligation. The Issuer hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall, exercise for the benefit of the Bondholders, the power to execute all waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of a holder and owner of the Series 2022A Obligation, which power shall be

irrevocable so long as such Obligation shall be pledged hereunder. The Bond Trustee shall exercise such power with respect to the Series 2022A Obligation when and as, but only when and as, directed to do so by written direction of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds of the related series.

[End of Article IX]

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE 2022 AGREEMENT

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee may, without the consent of, or notice to, the Bondholders, enter into such indentures or agreements supplemental hereto (which supplemental indentures or agreements shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) To add to the covenants and agreements in this 2022 Bond Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Bondholders.
- (b) To cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained in this 2022 Bond Indenture.
- (c) To subject to this 2022 Bond Indenture additional revenues, properties, or collateral.
- (d) To qualify this 2022 Bond Indenture under the Trust Indenture Act of 1939, if such be hereafter required in the Opinion of Counsel.
- (e) To maintain the extent to which the interest on the Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such supplemental indenture or agreement is necessary.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, in case one or more but less than all of the Bonds then Outstanding hereunder are so affected, shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this 2022 Bond Indenture; provided, however, that without the consent of the Beneficial Owners of all the Bonds at the time Outstanding nothing herein contained shall permit, or be construed as permitting any of the following:

- (a) An extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond, without the consent of the Beneficial Owner of such Bond.
- (b) The deprivation of the Beneficial Owner of any Bond then Outstanding of the lien created by this 2022 Bond Indenture and the Master Indenture (other than as originally permitted hereby).
- (c) A privilege or priority of any Bond or Bonds, over any other Bond.
- (d) A reduction in the aggregate principal amount of the Bonds required for consent to any supplemental indenture.

(e) Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made with the consent of the Beneficial Owners of 66-2/3% in aggregate principal amount of all Outstanding Bonds.

(f) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this 2022 Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this 2022 Bond Indenture of the Issuer, the Bond Trustee and all Beneficial Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

If at any time the Issuer shall request the Bond Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to costs, fees and expenses (including attorneys' fees), cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Bonds at their addresses as the same last appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated office of the Bond Trustee for inspection by all Bondholders. If, within sixty days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Beneficial Owners of not less than a majority 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 Beneficial Owner of any Bond 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 Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indentures. The Bond Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties, or immunities under this 2022 Bond Indenture. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of a supplemental indenture is authorized or permitted by this 2022 Bond Indenture and has been effected in compliance with the provisions hereof.

Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this 2022 Bond Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this 2022 Bond Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any, if deemed necessary or desirable by the Bond Trustee.

Section 10.04. Consent of the Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture unless the Corporation is in default under the 2022 Agreement or an Event of Default described under Section 8.01(a), (b) or (c) hereunder has occurred and is continuing, in which case no consent of the Corporation shall be required. The Bond Trustee shall cause notice of the proposed execution of any supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Corporation at least fifteen days prior to the proposed date of execution of such supplemental indenture.

Section 10.05. Amendments, Etc., of the 2022 Agreement Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the 2022 Agreement as may be required (i) to conform such 2022 Agreement to the provisions of this 2022 Bond Indenture, as it may be supplemented from time to time in accordance herewith, and (ii) to maintain the extent to which the interest on the Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such amendment is necessary.

Section 10.06. Amendments, Etc., of the 2022 Agreement Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 10.05 hereof, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the 2022 Agreement without the giving of notice to and the written approval or consent of the Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in Section 10.02 hereof. If at any time the Issuer and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change, or modification of the 2022 Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders.

In executing any amendment, change or modification of the 2022 Agreement, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of such amendment, change, modification of the 2022 Agreement is authorized or permitted by this 2022 Bond Indenture and the 2022 Agreement and has been effected in compliance with the provisions of this 2022 Bond Indenture and the 2022 Agreement. The Bond Trustee may, but shall not be obligated to, enter into any such amendment, change, or modification which affects the Bond Trustee's own rights, duties or immunities.

[End of Article X]

ARTICLE XI MISCELLANEOUS

Section 11.01. Evidence of Signature of Beneficial Owners and Ownership of Bonds. Any request, consent, or other instrument which the 2022 Bond Indenture may require or permit to be signed and executed by the Beneficial Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Beneficial Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or of the Beneficial Ownership of Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Bond Trustee may, nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Beneficial Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of any fully registered Bond and the amount and numbers of such Bonds and the date of holding the same shall be proved by the registration books of the Issuer kept by the Bond Trustee. Any request or consent of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Bond Trustee in accordance therewith.

Section 11.02. No Personal Liability. No recourse under or upon any obligation, covenant or agreement contained in this 2022 Bond Indenture, or in any Bond hereby secured, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this 2022 Bond Indenture, shall be had against any officer, director, agent or employee, as such, past, present or future, of any of the Issuer or the Bond Trustee, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Beneficial Owner of any Bond issued hereunder or otherwise of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such person to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof or for or to the Beneficial Owner of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this 2022 Bond Indenture and the issue of such Bonds. No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the 2022 Agreement or any claim based hereon or thereon, or be subject to any personal liability or accountability by reason of the execution and delivery of this 2022 Bond Indenture or the 2022 Agreement.

Section 11.03. Limited Obligation. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member the State or any other political subdivision or agency thereof, nor the faith and credit or the taxing power of the State of North Carolina or any political subdivision thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims

or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the 2022 Agreement, the Bonds or the 2022 Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the 2022 Agreement.

The Bond Trustee hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds is the Trust Estate, and hereby agrees that if such amounts in the Trust Estate shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then the Bond Trustee shall give notice to the Corporation in accordance with Article VIII of the 2022 Bond Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of, premium, if any, or interest, or costs incidental thereto including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Notwithstanding anything to the contrary in this 2022 Bond Indenture or the 2022 Agreement, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2022 Bond Indenture or the 2022 Agreement, shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under the 2022 Bond Indenture or the 2022 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under the 2022 Agreement.

Section 11.04. Parties Interested Herein. With the exception of rights herein expressly conferred on the Corporation and in Section 11.14 hereto, nothing in this 2022 Bond Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Bonds, any right, remedy, or claim under or by reason of this 2022 Bond Indenture, and any covenants, stipulations, promises, and agreements in this 2022 Bond Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Bonds.

Section 11.05. Titles, Headings, Etc. The titles and headings of the articles, sections, and subdivisions of this 2022 Bond Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06. Severability. In the event any provision of this 2022 Bond Indenture 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 11.07. Governing Law. This 2022 Bond Indenture shall be governed and construed in accordance with the laws of the State. All claims of whatever character arising out of this 2022 Bond Indenture, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Dane County, Wisconsin. By executing and delivering this 2022 Bond Indenture, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers

commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.08. Execution of Counterparts. This 2022 Bond 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. The parties hereto agree the transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 11.09. Notices. Any notice, request or other communication under this Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

- (a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.
Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this 2022 Bond Indenture and delivered using electronic means ("Electronic Means") means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder); provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.10. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this 2022 Bond Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day

that is a Business Day with the same force and effect as if done on the nominal date provided in this 2022 Bond Indenture.

Section 11.11. Issuer's Performance. None of the provisions of this 2022 Bond Indenture or the 2022 Agreement shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds, the Bond Project or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2022 Bond Indenture, the 2022 Agreement, and any and every Bond executed, authenticated and delivered under this 2022 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been directed to do so in writing by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2022 Agreement, including, but not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2022 Agreement and (ii) upon any written certification or opinion furnished to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2022 Bond Indenture or the 2022 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2022 Agreement that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.12. Content of Certificates. Notwithstanding any provision hereof to the contrary, whenever any certificate or opinion is required by the terms of this 2022 Bond Indenture to be given by the Issuer on its own behalf, any such certificate or opinion may be made or given by an Authorized Signatory (and in no event individually) and may be based (i) insofar as it relates to factual matters, upon a certificate of or representation by the Bond Trustee or the Corporation; and (ii) insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, in each case under clause (i) or (ii) without further investigation or inquiry by such Authorized Signatory or otherwise on behalf of the Issuer.

Section 11.13. Limitation of Liability. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY MEMBER, ANY SPONSOR, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OF WISCONSIN OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE IN ANY MANNER ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY

APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

Section 11.14. Third Party Beneficiaries. Notwithstanding any provision hereof to the contrary, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2022 Bond Indenture entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, Public Finance Authority has caused this 2022 Bond Indenture to be executed on its behalf by its Assistant Secretary, and UMB Bank, National Association has caused this 2022 Bond Indenture to be executed on its behalf by its duly authorized officer to evidence its acceptance of the trusts hereby created, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

UMB BANK, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

Signature Page of Indenture of Trust

Signature Page of Indenture of Trust

EXHIBIT A
INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[Amount] Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project)
 Series 2022A (Forward Delivery)

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____, 2021 and has been given access to copies of the Indenture (including the form of Bond) and the 2022 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.
4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.
6. Investor is (i) an “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) a “Qualified Institutional Buyer” as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations

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of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a “Qualified Institutional Buyer” as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor’s purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the 2022 Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor’s breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:
Name:
Title:

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(This Table of Contents is not a part of this Indenture of Trust and is only for convenience of reference)

PUBLIC FINANCE AUTHORITY

TO

**UMB BANK, NATIONAL ASSOCIATION,
AS BOND TRUSTEE**

INDENTURE OF TRUST

Dated as of March 1, 2023

\$[Amount]
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2023A
(Forward Delivery)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of March 1, 2023 (this “2023 Bond Indenture”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **UMB BANK, NATIONAL ASSOCIATION** (the “Bond Trustee”), a national banking association with trust powers having an office in Minneapolis, Minnesota, as trustee, being authorized to accept and execute trusts of the character herein set out,

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the acquisition and construction of a continuing care retirement community (the “2012 Project”) located in Wake County, North Carolina (the “Community”), owned and operated by Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, none of which remains currently outstanding (the “Series 2016 Bonds”), to (a) finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center, improvements to the Community’s landscaping, and the acquisition of land for the expansion of the Community subsequently financed with the Series 2021 Bonds (as defined below), and (b) fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), which has been paid in full, issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,525,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$2,320,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease and refund all of the Series 2012 Bonds that then remained outstanding, finance certain pre-development costs relating to an expansion of the Community subsequently financed with the Series 2021 Bonds (the “2017 Project” and together with the 2012 Project, the “Project”), fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation, issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), none of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined in the 2021 Bond Indenture (as defined below)), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund (as defined in the 2023 Agreement(as defined herein)), and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the “2021 Bond Indenture”), dated as of October 1, 2021, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2021A in the aggregate principal amount of \$[2021A Amount]

(the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1 in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2 in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”), all of which remain outstanding, the proceeds of which were used to finance certain costs of the 2021 Project, (b) refund all then outstanding Series 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund (e) fund a debt service reserve fund created under the 2021 Bond Indenture to secure the Series 2021B-1 Bonds, Series 2021B-2 Bonds and Series 2021C Bonds, and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the proceeds of the Series 2021 Bonds were lent to the Corporation under a Loan Agreement, dated as of October 1, 2021, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds was evidenced by the Corporation’s Series 2021 Obligations (the “Series 2021 Obligations”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the “2022 Bond Indenture”), dated as of March 1, 2022, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) in the aggregate principal amount of \$[2022A Amount] (the “Series 2022A Bonds”), all of which remain outstanding, the proceeds of which were used to (a) refund the Series 2016 Bonds and (b) pay a portion of the costs of issuing the Bonds; and

WHEREAS, the proceeds of the Series 2022A Bonds were lent to the Corporation under a Loan Agreement, dated as of March 1, 2022, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2022A Bonds was evidenced by the Corporation’s Series 2022A Obligation (the “Series 2022A Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of refinancing the Project by refunding all of the outstanding Series 2017 Bonds (collectively, the “Refunded Bonds”); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery),” in the aggregate principal amount of \$[Amount] (the “Bonds”) to (a) refund the Refunded Bonds and (b) pay a portion of the costs of issuing the Bonds (collectively, the “Bond Project”); and

WHEREAS, the Project is located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Bonds; and

WHEREAS, the financing of the Bond Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the Project is located; and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of March 1, 2023, with the Corporation (the “2023 Agreement”) specifying the terms and conditions of a loan by the Issuer to the Corporation of the proceeds of the Bonds to finance the Bond Project; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Issuer has authorized the execution and delivery of this 2023 Bond Indenture; and

WHEREAS, the Bonds, and the Bond Trustee’s certificate of authentication and assignment to appear thereon, shall be in substantially the form set forth herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this 2023 Bond Indenture; and

WHEREAS, the obligation of the Corporation to make loan payments under the 2023 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds will be evidenced by the Corporation’s Series 2023A Obligation, in the principal amount of \$[Amount], payable to the Issuer (the “Series 2023A Obligation”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 7 (“Supplement Number 7”), dated as of March 1, 2023, between the Corporation and the Master Trustee; and

WHEREAS, the Series 2023A Obligation will be secured by the Parity Debt Service Reserve Fund; and

WHEREAS, the Series 2023A Obligation is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2021 Obligations and the Series 2022A Obligation; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this 2023 Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the 2023 Bond Indenture have been in all respects duly authorized; and

WHEREAS, the Bonds, the Bond Trustee’s Authentication Certificate and the Assignment are to be substantially in the following form, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this 2023 Bond Indenture:

(FORM OF BOND)

THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE STATE OF WISCONSIN, INCLUDING PARTICULARLY SECTION 66.0304 OF THE WISCONSIN STATUTES, AS AMENDED. BONDS ISSUED UNDER SECTION 66.0304 SHALL NOT BE INVALID FOR ANY IRREGULARITY OR DEFECT IN THE PROCEEDINGS FOR THEIR SALE OR ISSUANCE.

NEITHER THIS BOND NOR ANY BENEFICIAL OWNERSHIP INTEREST HEREIN MAY BE TRANSFERRED BY THE BENEFICIAL OWNER HEREOF EXCEPT (I) IN AUTHORIZED DENOMINATIONS TO (II) ANY PERSON THAT IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR (B) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND, IN THE CASE OF ANY ACCREDITED INVESTOR WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER, IN A MINIMUM PRINCIPAL AMOUNT OF \$25,000 REGARDLESS OF ANY LOWER MINIMUM DENOMINATION AUTHORIZED BY THE BOND INDENTURE.

PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BOND
(SEARSTONE CCRC PROJECT)
SERIES 2023A
(Forward Delivery)

No. R-1 [REDACTED] \$[AMOUNT]

Interest Rate	Maturity Date	Delivery Date	Dated Date:	CUSIP No.
____%	June 1, 20__	March 3, 2023	March 3, 2023	74442PP []

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

PUBLIC FINANCE AUTHORITY, a joint powers commission under the Act (as hereinafter defined), the "commission" under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and December 1 of each year, commencing June 1, 2023, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date set forth above.

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, AND EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY SPONSOR, ANY MEMBER, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR

ANY COSTS INCIDENTAL THERETO. THIS BOND IS NOT A DEBT OF THE STATE OR ANY MEMBER AND DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND, NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

This Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Section 66.0304 of the Wisconsin Statutes, as amended. This Bond is a limited obligation of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged to its payment and not from any other revenues, funds or assets of the Issuer.

The principal of and premium, if any, on this Bond are payable upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, National Association, as bond trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of March 1, 2023 (the "2023 Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered (the "registered owner") in the registration records of the Issuer maintained by the Bond Trustee at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such interest payment date (the "Regular Record Date") or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, redemption premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (as defined in the hereinafter defined 2023 Agreement), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of such Bonds not less than ten days prior to such Special Record Date. Alternative means of payment of interest may be used if mutually agreed upon between the owner of this Bond and the Bond Trustee, as provided in the 2023 Bond Indenture. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Bond Trustee.

Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on this Bond exceed the Maximum Rate.

This Bond shall be issued pursuant to a book entry system administered by The Depository Trust Company (together with any successor thereto, "Securities Depository"). The book entry system will evidence beneficial ownership of the Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book entry system is in effect, transfer of principal, interest and premium payments, and provisions

of notices or other communications, to beneficial owners of the Bonds will be the responsibility of the Securities Depository as set forth in the 2023 Bond Indenture.

This Bond is one of a duly authorized series of bonds of the Issuer dated the date shown above known as “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery)” (the “Bonds”) and issued in an Aggregate Principal Amount (as defined in the hereinafter defined 2023 Agreement) of \$[Amount].

The proceeds of the Bonds are being issued for the purpose of providing funds to be lent to Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”), to be used to (a) refund all of the Issuer’s outstanding Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A (the “Series 2017A Bonds”), (b) refund all of the Issuer’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2017B (the “Series 2017B Bonds” and together with the 2017A Bonds, the “Refunded Bonds”), and (c) pay a portion of the cost of issuance of the Bonds.

To evidence its loan repayment obligations, the Corporation has issued its Series 2023A Obligation (the “Series 2023A Obligation”) in connection with a Loan Agreement dated as of March 1, 2023, between the Issuer and the Corporation (the “2023 Agreement”). The Series 2023A Obligation is issued pursuant to a Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as previously supplemented and as supplemented by Supplemental Indenture Number 7, dated as of March 1, 2023 between the Corporation and the Master Trustee (collectively, the “Master Indenture”). Pursuant to the Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2023A Obligation. The Issuer, on behalf of the Corporation, has previously issued its Revenue Bonds (Searstone CCRC Project) Series 2021A, of which \$[2021A Amount] in aggregate principal amount remains currently outstanding (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1, of which \$[2021B-1 Amount] in aggregate principal amount remains currently outstanding (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2, of which \$[2021B-2 Amount] in aggregate principal amount remains currently outstanding (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, of which \$[2021C Amount] in aggregate principal amount remains currently outstanding (the “Series 2021C Bonds,” and together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”) and its Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) in the aggregate principal amount of \$[2022A Amount] (the “Series 2022A Bonds”). The Series 2021 Bonds are secured equally with the Series 2022A Bonds and the Bonds by two obligations issued under the Master Indenture (the “Series 2021 Obligations”), and the Series 2022A Bonds are secured equally with the Series 2021 Bonds and the Bonds by an obligation issued under the Master Indenture (the “Series 2022A Obligation”). Additional Master Obligations on a parity with the Series 2021 Obligations, the Series 2022A Obligation, the Series 2023A Obligation and the other parity obligations may be issued pursuant to the Master Indenture subject to the conditions and terms contained therein, and the payments on such additional Master Obligations will also be secured by a pledge of the Gross Revenues.

This Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the 2023 Agreement and the Series 2023A Obligation and the security therefor. The Bonds are issued under and are equally and ratably secured and are entitled to the protection given by the 2023 Bond Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the 2023 Bond Indenture, or in any Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the 2023 Bond Indenture, shall be had against any director, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Bond or the 2023 Bond Indenture, shall be personally liable hereon or thereon or be subject to any personal liability by reason of the issuance hereof and thereof, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the 2023 Bond Indenture and the issuance of this Bond.

Reference is hereby made to the 2023 Bond Indenture and all indentures supplemental thereto and the Master Indenture for a description of the revenues pledged, the nature and extent of the security, the rights, duties, and obligations of the Issuer, the Bond Trustee and the beneficial owners of the Bonds, and the terms and conditions upon which the Bonds are, and are to be, secured.

The Bonds are subject to redemption prior to maturity as provided in the 2023 Bond Indenture.

The Bonds are issuable as fully registered Bonds in denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Bonds shall be allowed to purchase, transfer, or sell such Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer, or sale, each beneficial owner owns at least \$25,000 of principal amount of the Bonds. Bonds may be owned by, and transferred to, only an entity that is either (i) a “Qualified Institutional Buyer” (as defined in Rule 144A under the Securities Act of 1933, as amended) or (ii) an “accredited investor” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) and in a minimum principal amount of \$25,000; provided, however, that if the restrictions of the transfer of Bonds no longer apply pursuant to the 2023 Bond Indenture, then there will be no restrictions on who may own Bonds and no requirement of ownership of a minimum principal amount. Bonds are exchangeable for an equal principal amount of fully registered Bonds of the same maturity and series of other authorized denominations at the aforesaid office of the Bond Trustee, but only in the manner and subject to the limitations and on payment of the charges provided in the 2023 Bond Indenture.

This Bond is fully transferable by the registered owner hereof in person or by its duly authorized attorney on the registration books kept at the designated office of the Bond Trustee upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Bond of authorized denomination or denominations for the same Aggregate Principal Amount, maturity, and series will be issued to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the 2023 Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise

provided hereinabove and in the 2023 Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee shall be affected by any notice to the contrary. The principal of, premium, if any, and interest on this Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Bond shall have no right to enforce the provisions of the 2023 Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the 2023 Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the 2023 Bond Indenture. In case an event of default under the 2023 Bond Indenture shall occur, the principal of all of the Bonds at any such time Outstanding under the 2023 Bond Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the 2023 Bond Indenture. The 2023 Bond Indenture provides that such declaration may in certain events be waived by the Bond Trustee or the owners of a requisite principal amount of the Bonds Outstanding under the 2023 Bond Indenture.

To the extent permitted by, and as provided in, the 2023 Bond Indenture, modifications or amendments of the 2023 Bond Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the owners of the Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3 % in aggregate principal amount of the Bonds then Outstanding. Any such consent by the owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

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 2023 Bond Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS BOND shall not be entitled to any benefit under the 2023 Bond Indenture, or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Bond Trustee shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the Public Finance Authority has caused this Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within mentioned 2023 Bond Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION, as**
Bond Trustee

March 3, 2023

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond, and does hereby irrevocably constitute and appoint attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Date: _____ NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature Guaranteed By:

Authorized Signatory

NOTE: The signature to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”) or the New York Stock Exchange, Inc. Medallion Signature Program (“MSP”).

[FORM OF DTC FAST RIDER]

DTC FAST RIDER

Each Bond certificate shall remain in the Bond Trustee’s custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Bond Trustee and DTC.

*** [END OF BOND FORM] ***

WHEREAS, all things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this 2023 Bond Indenture provided, the valid, binding, and legal obligations of the Issuer and to constitute this 2023 Bond Indenture a valid, binding, and legal instrument for the security of the Bonds in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Beneficial Owners thereof and of the sum of One Dollar to it duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this 2023 Bond Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this 2023 Bond Indenture and has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, set over, and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, pledge, set over, and confirm unto UMB Bank, National Association, as trustee, and to its successors and assigns forever, all and singular the following described property, franchises, and income:

1. All of the Issuer's right, title and interest in and to the Series 2023A Obligation delivered by the Corporation to the Issuer pursuant to the 2023 Agreement; and
2. All of the Issuer's right, title and interest in and to the 2023 Agreement (except for Reserved Rights); provided, however, that nothing in this clause shall impair, diminish or otherwise affect the Issuer's obligations under the 2023 Agreement or, except as otherwise provided in this 2023 Bond Indenture, impose any such obligations on the Bond Trustee; and
3. Amounts on deposit from time to time in the funds and accounts held under this Indenture, including but not limited to the Bond Fund, Cost of Issuance Fund, and Administrative Cost Fund, but excluding the Rebate Fund (all as defined in the 2023 Agreement), subject to the provisions of this 2023 Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and
4. Any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with the Bond Trustee as additional security by the Issuer or anyone on its part or with its written consent, or which pursuant to any of the provisions hereof or of the 2023 Agreement or the Series 2023A Obligation may come into the possession of or control of the Bond Trustee or a receiver appointed pursuant to Article VIII hereof, as such additional security; and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Bond Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Beneficial Owners of the Bonds issued under and secured by this 2023 Bond Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds;

SUBJECT ONLY TO THE RIGHTS OF THE ISSUER TO APPLY AMOUNTS UNDER THE PROVISIONS OF THIS 2023 BOND INDENTURE, THE PLEDGE AND ASSIGNMENT OF THE TRUST ESTATE HEREBY MADE SHALL IMMEDIATELY ATTACH THERETO AND SHALL BE

EFFECTIVE, BINDING AND ENFORCEABLE FROM AND AFTER THE TIME OF THE DELIVERY BY THE BOND TRUSTEE OF THE FIRST BONDS AUTHENTICATED AND DELIVERED UNDER THIS 2023 BOND INDENTURE. THE SECURITY SO PLEDGED AND ANY ASSIGNMENT THEN OR THEREAFTER RECEIVED BY BOND TRUSTEE FROM THE ISSUER AS SECURITY FOR THE BONDS SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE AND ASSIGNMENT AND THE LIEN OF SUCH PLEDGE AND ASSIGNMENT SHALL BE VALID AND BINDING AGAINST THE ISSUER, PURCHASERS THEREOF, CREDITORS AND ALL OTHER PARTIES HAVING CLAIMS AGAINST THE ISSUER IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF AND WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION, FILING, OR FURTHER ACT;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Bond Trustee the entire amount due or to become due hereon, or certain securities as herein permitted and shall keep, perform, and observe all the covenants and conditions pursuant to the terms of this 2023 Bond Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Bond Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this 2023 Bond Indenture and the rights hereby granted shall cease, determine, and be void; otherwise this 2023 Bond Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and with the respective Beneficial Owners from time to time of the Bonds as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions. All defined words and phrases used but not otherwise defined in this 2023 Bond Indenture shall have the meaning given and ascribed to such words and phrases in Article I of the 2023 Agreement.

Section 1.02. Recital Incorporation. The recitals set forth in the beginning of this 2023 Bond Indenture are hereby incorporated herein.

[End of Article I]

**ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS**

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under this 2023 Bond Indenture except in accordance with this Article. The total original principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$[Amount].

Section 2.02. Bonds Equally and Ratably Secured; Bonds Not Obligation of Issuer. All Bonds issued under this 2023 Bond Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference under and by virtue of this 2023 Bond Indenture, and shall all be equally and ratably secured hereby. The Bonds shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer.

Section 2.03. Authorization of Bonds.

(a) There is hereby authorized to be issued hereunder and secured hereby a series of bonds designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery),” which shall be numbered consecutively upward from R-1.

(b) The Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Bonds. The Bonds shall bear interest on the basis of a 360 day year composed of twelve (12) thirty (30) day months, payable each June 1 and each December 1, commencing June 1, 2023, at the rates per annum and shall mature on June 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate (%)</u>
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Notwithstanding any provision herein to the contrary, at no time (whether due to an Event of Default or otherwise) will the interest rate charged on the Bonds exceed the Maximum Rate.

(c) The Bonds shall be issued in Authorized Denominations and shall be dated the Delivery Date. The Bonds are subject to prior redemption as herein set forth and shall be substantially in the form and tenor hereinabove recited with appropriate variations, omissions, and insertions as are permitted or required by this 2023 Bond Indenture.

(d) The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, upon presentation and surrender of the Bonds. Payment of interest on any Bond shall be made to the person who is the registered owner thereof at the close of business on the Regular Record Date for such Interest Payment Date by check mailed by the Bond Trustee on such Interest Payment Date to such registered owner at its address as it

appears on the registration records kept by the Bond Trustee or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal, premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner of such Bond at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first class postage prepaid mail to each such registered owner as shown on the registration records, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed upon between the Beneficial Owners of any Bonds and the Bond Trustee. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and premium, if any, and interest on any Bonds that are subject to the book entry system as provided in Article II of this 2023 Bond Indenture shall be made in accordance with the rules, regulations and procedures established by the securities depository in connection with the book entry system.

Section 2.04. Execution of Bonds, Signatures. The Bonds shall be executed on behalf of the Issuer by its authorized signatory and its corporate seal shall be thereunto affixed and attested by an authorized signatory. The signatures of such authorized signatories and the seal of the Issuer may be in facsimile. In case any officer who shall have signed any of the Bonds shall cease to hold such office and any of such Bonds shall have been authenticated by the Bond Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Bond Trustee, and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Registration and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this 2023 Bond Indenture to be kept by the Bond Trustee which is hereby appointed the bond registrar of the Issuer for the Bonds. Upon surrender for transfer of any fully registered Bond at the Payment Office of the Bond Trustee, duly endorsed for transfer or accomplished by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like Aggregate Principal Amount for a like principal amount, maturity, and series.

The Issuer shall execute and the Bond Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Bond Trustee shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business fifteen days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

As to any Bond, 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 principal of or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Bond Trustee shall require the payment by any Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed, and Mutilated Bonds. Upon receipt by the Bond Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Bond and, in the case of a lost, stolen, or destroyed Bond, of indemnity satisfactory to it, and upon surrender and cancellation of the Bond if mutilated, (i) the Issuer shall execute, and the Bond Trustee shall authenticate and deliver, a new Bond of the same date, maturity and series as the lost, stolen, destroyed or mutilated Bond in lieu of such lost, stolen, destroyed, or mutilated Bond or (ii) if such lost, stolen, destroyed, or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Issuer may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Bond Trustee in connection with the issue of such new Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds, negotiable instruments, or other securities. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such duplicate Bond was issued presents for payment such original Bond, the Corporation or the Bond Trustee shall be entitled to recover upon such new Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Corporation or the Bond Trustee in connection therewith.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this 2023 Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Bonds and deliver them to the initial purchasers thereof as directed by the Issuer and as hereinafter in this Section provided.

Prior to the delivery by the Bond Trustee of any of the Bonds there shall be filed with and delivered to the Bond Trustee at least:

- (a) A Certified Resolution authorizing the execution and delivery of the 2023 Agreement and this 2023 Bond Indenture and the issuance of the Bonds.
- (b) Original executed counterparts of the 2023 Agreement, this 2023 Bond Indenture, Supplement Number 7, and the Tax Agreement.
- (c) The Series 2023A Obligation, duly executed and authenticated and duly assigned and payable to the Bond Trustee.
- (d) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its authorized signatory to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer of a sum specified in such request and authorization, together with instructions as to the disposition of the proceeds of the Bonds.

(e) An Opinion of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Bonds is excludable from gross income for federal income tax purposes and that each of the instruments to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability.

(f) Notice to the Wisconsin Department of Revenue as required by Section 66.0304(5)(e) of the Wisconsin Statutes.

Section 2.08. Bond Trustee's Authentication Certificate. The Bond Trustee's authentication certificate upon the Bonds shall be substantially in the form and tenor hereinbefore provided. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The Bond Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09. Intentionally Omitted.

Section 2.10. Intentionally Omitted.

Section 2.11. Cancellation and Destruction of Bonds By the Bond Trustee. Whenever any Outstanding Bonds shall be delivered to the Bond Trustee for the cancellation thereof pursuant to this 2023 Bond Indenture, upon payment of the principal amount or interest represented thereby or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and treated in accordance with the Bond Trustee's standard retention policies. In the event of destruction of the Bonds by the Bond Trustee, a certificate of destruction evidencing such destruction shall be furnished by the Bond Trustee to the Issuer and the Corporation upon written request.

Section 2.12. Book Entry Only System. The Bonds shall be initially issued in the form of a single fully registered Bond for each maturity of the Bonds registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.13 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Trustee shall have no responsibility or obligation to any participant in DTC (a "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this 2023 Bond Indenture. Without limiting the immediately preceding sentence, the Issuer and the Bond Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the registration books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder as shown in the registration books, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this 2023 Bond Indenture to the contrary, the Issuer and the Bond Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the registration books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with

respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the registration books as provided in this 2023 Bond Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the registration books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, pursuant to this 2023 Bond Indenture. Upon delivery by DTC to the Bond 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 in this 2023 Bond Indenture with respect to payment of interest to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this 2023 Bond Indenture shall refer to such new nominee of DTC.

Section 2.13. Successor Securities Depository; Transfers Outside Book Entry Only System.

(i) In the event that the Corporation determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC (the "DTC Letter") and that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Issuer, at the direction of the Corporation, shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants, identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants, identified by DTC, having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the registration books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this 2023 Bond Indenture.

(ii) Upon the written consent of 100% of the Beneficial Owners of the Bonds, the Bond Trustee, in accordance with the DTC Letter, shall withdraw the Bonds from DTC, and authenticate and deliver Bonds fully registered to the assignees of DTC or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the Persons requesting such withdrawal, authentication and delivery.

Section 2.14. Payments to Cede & Co. Notwithstanding any other provision of this 2023 Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, such Bond and all notices, transfers and deliveries with respect to such Bond shall be made and given, respectively, in the manner provided in the DTC Letter.

Section 2.15. Purchase and Transfer Restrictions. Notwithstanding any other provision hereof, each initial Beneficial Owner of the Bonds shall either be (i) a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended); or (ii) an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) that, in either case, has provided an "Investor Letter" in the form of Exhibit A hereto to the Issuer. Thereafter, neither the Bonds nor any

beneficial ownership interest in the Bonds may be transferred by the Bondholder or any Beneficial Owner thereof except (A) in Authorized Denominations and (B) to any person that is either a “Qualified Institutional Buyer” or an “accredited investor” (and, in the case of any accredited investor who is not a Qualified Institutional Buyer, in a minimum principal amount of \$25,000 regardless of any lower minimum denomination authorized hereby). The Issuer may remove the foregoing restrictions without notice to or consent of any beneficial owner. At such time as the Corporation shall provide to the Issuer and the Bond Trustee written evidence to the effect that the Bonds have received an Investment Grade Rating, this Section shall be of no further force or effect and the Authorized Denominations of the Bonds shall be changed (if necessary) to denominations of \$5,000 or any integral multiple thereof, in each case, notwithstanding whether at a future time the Bonds are no longer rated in such rating category.

[End of Article II]

ARTICLE III REVENUES AND FUNDS

Section 3.01. Application of Proceeds of Bonds. The Issuer will sell and cause to be delivered to the initial purchasers thereof the Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

(i) Transfer, to UMB Bank, National Association, as the bond trustee for the Series 2017 Bonds, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of this 2023 Bond Indenture, such amount to be used to redeem the Refunded Bonds.

(ii) Deposit, into the Cost of Issuance Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

Section 3.02. Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery) Bond Fund” (the “Bond Fund”). There are hereby created by the Issuer and ordered established with the Bond Trustee two separate accounts within the Bond Fund to be designated as the Principal Account and the Interest Account, respectively. Moneys on deposit in the Principal Account shall be used to pay the principal of and premium, if any, on the Bonds, when due and payable. Moneys on deposit in the Interest Account shall be used to pay the interest on the Bonds.

Section 3.03. Payments into the Bond Fund. There shall be deposited into the Principal Account or the Interest Account, as and when received, (i) all payments on the Series 2023A Obligation, (ii) all moneys transferred to the Bond Fund from the Parity Debt Service Reserve Fund, (iii) all other moneys required to be deposited therein pursuant to the 2023 Agreement, and (iv) all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the Principal Account or the Interest Account. There also shall be retained or deposited in the Principal Account or the Interest Account all interest and other income received on investments or moneys required to be transferred thereto, in accordance with Section 6.02 hereof. The Issuer hereby covenants and agrees that so long as any of the Bonds are Outstanding it will deposit, or cause to be deposited, into the Principal Account or the Interest Account for its account sufficient sums from revenues and receipts derived from the 2023 Agreement promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable.

Section 3.04. Administration Expense Fund; Administration Expenses. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the “Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery) Administration Expense Fund” (the “Administration Expense Fund”). Moneys shall be deposited in the Administration Expense Fund pursuant to Section 5.7 of the 2023 Agreement (other than Bond Trustee’s fees and expenses that may be retained by the Bond Trustee) and such moneys shall be disbursed as directed in writing by the Corporation to the Issuer or other parties to which Administration Expenses are owed.

The Bond Trustee shall transfer all Administration Expenses owed to or for the benefit of the Issuer promptly upon receipt thereof from the Corporation to the Issuer at the address specified herein for notice to Issuer or as otherwise directed by Issuer; except that payments of the Annual Fee shall be remitted to Issuer at the times specified in the 2023 Agreement.

Section 3.05. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Principal Account or the Interest Account of the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same come due and payable, which authorization and direction the Bond Trustee hereby accepts. If on any Interest Payment Date there are insufficient funds in the Bond Fund with which to pay the principal of and interest on the Bonds, the Bond Trustee shall deposit or cause to be deposited moneys into the Bond Fund from the Parity Debt Service Reserve Fund.

Section 3.06. Intentionally Omitted.

Section 3.07. Intentionally Omitted.

Section 3.08. Intentionally Omitted.

Section 3.09. Intentionally Omitted.

Section 3.10. Intentionally Omitted.

Section 3.11. Nonpresentment of Bonds. If the Bonds are no longer in book entry form, in the event that any Bonds shall not be presented for payment when the principal thereof or interest thereon becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof shall have been deposited into the Bond Fund or otherwise made available to the Bond Trustee for deposit therein as provided in Section 3.03 hereof, all liability of the Issuer to the Beneficial Owner or Beneficial Owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Beneficial Owner or Beneficial Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this 2023 Bond Indenture or on, or with respect to, said Bond, and all such funds shall remain uninvested. If any Bond shall not be presented for payment within the period of two years following the date of final maturity of such Bond, the Bond Trustee shall, to the extent required by law, transfer such funds to the state treasury of the state in which the designated office of the Bond Trustee is located, in which case the Beneficial Owner of such Bonds shall look only to such state for payment, or, in the alternative, to the extent permitted by law, the Bond Trustee shall, upon request in writing by the Corporation, return such funds to the Corporation free of any trust or lien and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Corporation. In either event, the Bond Trustee shall have no further responsibility with respect to such moneys or payment of such Bonds. Thereafter, the Bondholders shall be entitled to look only to the Corporation for payment, and then only to the extent of the amount so repaid by the Bond Trustee. The Corporation shall not be liable for any interest on any sums paid to it.

Section 3.12. Bond Trustee's and Paying Agents' Fees, Charges, and Expenses. Pursuant to the provisions of the 2023 Agreement, the Corporation has agreed to pay to the Bond Trustee and to each Paying Agent, commencing with the effective date of the 2023 Agreement and continuing until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this 2023 Bond Indenture, the reasonable and necessary fees and expenses (including attorneys' fees) of the Bond Trustee and each Paying Agent, as and when the same become due, upon the submission by the Bond Trustee and each Paying Agent of a statement therefor.

Section 3.13. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee under any provision of this 2023 Bond Indenture (except moneys in the Rebate Fund) shall be held by the Bond Trustee in trust for the purposes specified in this 2023 Bond Indenture, and except for moneys deposited with or paid to the Bond Trustee for the redemption of Bonds for which the notice of redemption has been duly given, shall, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 3.14. Repayment to the Corporation from the Funds. Any amounts remaining in the Bond Fund after payment in full of the Bonds (or after making provision for such payment), the fees and expenses of the Bond Trustee and the Paying Agents (including attorneys' fees, if any), the Administration Expenses, and all other amounts required to be paid hereunder and under the 2023 Agreement shall be paid to the Corporation upon the termination of the 2023 Agreement.

Section 3.15. Rebate Fund. A special Rebate Fund is hereby established by the Issuer. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation the Bondholders. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section. The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of this 2023 Bond Indenture. Notwithstanding the foregoing, the Bond Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder. Moneys in the Rebate Fund will be held in trust by the Bond Trustee and will be held for future payment to the United States of America as directed by the Corporation and as contemplated under the provisions of the Tax Agreement.

Section 3.16. Administrative Cost Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery) Administrative Cost Fund" (the "Administrative Cost Fund"). The Bond Trustee shall deposit the additional payments which the Corporation notifies the Bond Trustee is for payment of the Issuer's Annual Fee pursuant to Section 5.7 of the 2023 Agreement into the Administrative Cost Fund and promptly upon receipt thereof from the Corporation, disburse to the Issuer at the address provided in Section 11.09 hereof.

Section 3.17. Cost of Issuance Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery) Cost of Issuance Fund" (the "Cost of Issuance Fund"). The Bond Trustee shall disburse moneys in the Cost of Issuance Fund as provided in Article IV of the 2023 Agreement. Moneys in the Cost of Issuance Fund may be used only for payment of the Cost of Issuance. On August 31, 2023, any moneys remaining in the Cost of Issuance Fund shall be transferred to the Interest Account of the Bond Fund, and thereafter no such moneys shall be used to pay Costs of Issuance. The Cost of Issuance Fund shall then be closed.

[End of Article III]

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01. Performance of Covenants: Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this 2023 Bond Indenture, in any and every Bond and in all proceedings of the Board of Directors pertaining hereto; provided, however, that except for the covenant of the Issuer set forth in Section 4.02 hereof relating to payment of the Bonds, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Issuer shall have received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer covenants that it is duly authorized under the laws of the State (including particularly and without limitation the Act and the Amended and Restated Joint Exercise of Powers Agreement, dated September 28, 2010 (the "Joint Exercise Agreement"), by and among Adams County, Wisconsin; Bayfield County, Wisconsin; Marathon County, Wisconsin; Waupaca County, Wisconsin; and the City of Lancaster, Wisconsin or any other political subdivision designated from time to time as a "Member" of the Issuer pursuant to the Joint Exercise Agreement) to issue the Bonds and to execute this 2023 Bond Indenture, and to pledge the revenues and receipts hereby pledged, and to assign its rights under and pursuant to the 2023 Agreement and the Series 2023A Obligation in the manner and to the extent herein set forth, that all action on its part and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this 2023 Bond Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds in the hands of the Beneficial Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import hereof, except as enforcement thereof and hereof may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and by the application of general principles of equity, if such remedies are pursued.

Section 4.02. Payments of Principal, Premium, If Any, and Interest. The Issuer will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from revenues and other amounts derived from the Series 2023A Obligation, and from the other security pledged hereby, which revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this 2023 Bond Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 4.03. Supplemental Indentures; Filings. The Issuer will execute and deliver all indentures supplemental hereto, and will cause all financing statements relating to this 2023 Bond Indenture and any indentures supplemental hereto, to be filed in each office required by law in order to publish notice of the liens created by this 2023 Bond Indenture and the 2023 Agreement. Provided the Bond Trustee timely receives a copy of the original financing statements filed, the Bond Trustee, at the Corporation's expense, will cause all continuation statements to any financing statement or continuation statement as may be required, at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and all rights of the Bond Trustee hereunder; provided that unless otherwise notified in writing by the Corporation or Issuer, the Bond Trustee shall be protected in relying upon the original financing statements in filing any continuation statements hereunder.

The Bond Trustee shall not be responsible for and makes no representation as to existence, genuineness, value or protection of any collateral, for the legality, effectiveness or sufficiency of any

security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Bonds.

Section 4.04. Lien of Bond Indenture. The Issuer hereby agrees not to create any lien having priority or preference over the lien of this 2023 Bond Indenture upon the Trust Estate or any part thereof, other than the security interest granted by it to the Bond Trustee, except as otherwise specifically provided in Article VIII hereof. The Issuer agrees that no obligations the payment of which is secured by payments or other moneys or amounts derived from the 2023 Agreement and the other sources provided herein will be issued by it.

Section 4.05. Rights Under the 2023 Agreement. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the 2023 Agreement. The Issuer agrees that wherever in the 2023 Agreement it is stated that the Issuer will notify the Bond Trustee, give the Bond Trustee some right or privilege, or in any way attempts to confer upon the Bond Trustee the ability for the Bond Trustee to protect the security for payment of the Bonds, that such part of the 2023 Agreement shall be as though it were set out in this 2023 Bond Indenture in full.

The Issuer agrees that the Bond Trustee as assignee of the 2023 Agreement may enforce, in its name or in the name of the Issuer, all rights of the Issuer (except those rights to indemnification and payment under Sections 5.7, 7.5 and 9.5 thereof) and all obligations of the Corporation under and pursuant to the 2023 Agreement for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 4.06. Tax Covenants.

(a) The Issuer covenants and agrees that until the final maturity of the Bonds, based upon the Corporation's covenants in Section 4.3 of the 2023 Agreement, it will not take any action, use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be arbitrage bonds, within the meaning of Section 148 of the Code. In the event the Corporation notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Bond Trustee pursuant to this 2023 Bond Indenture, or to use such moneys in any certain manner to avoid the Bonds being considered arbitrage bonds, the Issuer at the written direction and expense of the Corporation shall deliver to the Bond Trustee appropriate written instructions of the Issuer, in which event the Bond Trustee shall take such action as instructed to restrict or limit the yield on such investment or to use such moneys in accordance with such instructions.

(b) The Issuer shall not knowingly use any proceeds of the Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take any other action or actions, that would result in any of the Bonds being treated other than as an obligation described in Section 103(a) of the Code.

(c) The Issuer will not knowingly use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, to make or finance loans to Persons who are not Exempt Persons. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a loan to a Person who is not an Exempt Person.

(d) The Issuer will not knowingly take any action that would result in all or any portion of the Bonds being treated as federally guaranteed within the meaning of Section 149(b)(2) of the Code.

(e) For purposes of this Section, the Issuer's compliance shall be based solely on acts or omissions by the Issuer, and no acts, omissions or directions of the Corporation, the Bond Trustee or any other Persons shall be attributable to the Issuer.

Section 4.07. Change in Law. To the extent that published rulings of the Internal Revenue Service, or amendments to the Code or the Regulations modify the covenants of the Issuer that are set forth in this 2023 Bond Indenture or that are necessary for interest on the Bonds to be excludable from gross income for federal income tax purposes, the Issuer, upon receiving the written Opinion of Bond Counsel to such effect, will comply, at the expense of the Corporation, with such modifications and direct the Bond Trustee to take such action as may be required to comply with such modifications.

[End of Article IV]

ARTICLE V REDEMPTION OF BONDS

Section 5.01. Optional Redemption of Bonds.

(a) The Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20[] or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20[] through May 31, 20[]	[104%
June 1, 20[] through May 31, 20[]	103%
June 1, 20[] through May 31, 20[]	102%
June 1, 20[] through May 31, 20[]	101%
June 1, 20[] and thereafter	100%

Upon the delivery of the above-referenced written optional redemption direction of the Corporation to the Bond Trustee, the Issuer shall be deemed, without any action on its part, to have exercised its option to redeem any of the Bonds, as applicable, under this section.

Section 5.02. Sinking Fund Redemption.

(a) The Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
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‡ Maturity

(b) The Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
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‡ Maturity

(c) The Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
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‡ Maturity

(d) On or before the thirtieth day prior to each sinking fund payment date, the Bond Trustee shall proceed to select for redemption (by lot in such manner as the Bond Trustee may determine) from all Bonds Outstanding a principal amount of such Bonds equal to the Aggregate Principal Amount of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next June 1, and give notice of such call. At the option of the Corporation to be exercised by delivery of a written certificate to the Bond Trustee on or before the forty fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Bonds or portions thereof in an Aggregate Principal Amount desired by the Corporation or (ii) specify a principal amount of Bonds or portions thereof, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Bond Trustee at the request of the Issuer and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at 100% of the principal amount thereof against the obligation to redeem Bonds on the next succeeding or any other sinking fund redemption date designated in writing by the Corporation. Any excess shall be credited against the next sinking fund redemption obligation to redeem Bonds. In the event that the Corporation shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be canceled.

Section 5.03. Method of Selection of Bonds in Case of Partial Redemption.

(a) In the event that less than all of the Outstanding Bonds or portions thereof are to be redeemed as provided in Sections 5.01 or 5.08 hereof, the Corporation may select the particular maturities to be redeemed. If less than all Bonds or portions thereof of a single maturity are to be

redeemed, they shall be selected by the Securities Depository in accordance with its procedure or by lot in such manner as the Bond Trustee may determine.

(b) If a Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Section 5.04. Notice of Redemption. Bonds shall be called for redemption by the Bond Trustee as herein provided upon receipt by the Bond Trustee not more than sixty (60) nor less than thirty (30) days prior to the redemption date of a certificate of the Corporation specifying the principal amount of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this 2023 Bond Indenture pursuant to which such Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the redemption of Bonds pursuant to the sinking fund requirements provided in Section 5.02 hereof and such Bonds shall be called for redemption by the Bond Trustee without the necessity of any action by the Corporation or the Issuer. In case of every redemption, the Bond Trustee shall cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration books, in each case not more than sixty (60) nor less than thirty (30) days prior to the redemption date. In addition, notice of redemption shall be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any owner of \$1,000,000 or more in principal amount of Bonds and (B) to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption shall be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any owner of Bonds selected for redemption that has not surrendered the Bonds called for redemption, at the address as the same shall last appear upon the registration books.

Notwithstanding the foregoing, upon the written direction of the Corporation, the notice of redemption for optional redemption pursuant to Section 5.01 hereof shall contain a statement to the effect that the redemption of the Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Issuer shall not be required to redeem such Bonds and such Bonds shall not become due and payable.

All notices of redemption shall state:

- (a) the redemption date,
- (b) the redemption price,
- (c) the identification, including complete designation (including series) and issue date of the Bonds and the CUSIP number (and in the case of partial redemption, certificate number and the respective principal amounts, interest rates and maturity dates) of the Bonds to be redeemed,
- (d) that on the redemption date the redemption price will become due and payable upon each such Bonds, and that interest thereon shall cease to accrue from and after said date,

(e) the name and address of the Bond Trustee and any paying agent for such Bonds, including the place where such Bonds are to be surrendered for payment of the redemption price and the name and phone number of a contact person at such address.

Provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds.

Section 5.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the business day prior to the redemption date specified in the notice of redemption, an amount of money sufficient to redeem all Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Bond Trustee. If at the time of mailing of notice of any optional redemption moneys sufficient to redeem all of the Bonds called for redemption are not on deposit with the Bond Trustee, such notice may state that is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. On the redemption date the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article V, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof.

Section 5.06. Cancellation. All Bonds which have been redeemed shall be cancelled by the Bond Trustee and retained as provided in Section 2.11 hereof.

Section 5.07. Partial Redemption of Fully Registered Bonds. Upon surrender of any fully registered Bond for redemption in part only, the Issuer shall execute and the Bond Trustee shall authenticate and deliver to the owner thereof, at the expense of the Corporation, a new Bond or Bonds of the same series and maturity of Authorized Denominations in an Aggregate Principal Amount equal to the unredeemed portion of the Bond surrendered.

Section 5.08. Extraordinary Redemption. The Bonds shall be subject to optional redemption by the Issuer at the direction of the Corporation in the event of (a) or (b) below and subject to mandatory redemption without such direction in the case of (c) below prior to their maturities, in whole or in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date, plus the unamortized amount of any original issue premium on the Bonds being redeemed with respect to the events described in (a) or (b) below and, with respect to a Determination of Taxability described in (c) below, plus the greater of (1) the unamortized amount of any original issue premium on the Bonds being redeemed and (2) three percent (3%) of the principal amount of such Bonds, as follows:

(a) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount (as defined in the Master Indenture) and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or

(b) as a result of any changes in the Constitution or laws of the State or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the 2023 Agreement have become, as established

by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the 2023 Agreement; or

(c) upon the occurrence of a Determination of Taxability.

Section 5.09. Purchase in Lieu of Redemption. If any Bond is called for optional redemption in whole or in part, the Issuer shall, at the direction of the Corporation, elect to have such Bond purchased in lieu of redemption.

Purchase in lieu of redemption shall be available to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. Purchase in lieu of redemption shall also be available to all Bonds called for sinking fund redemption in accordance with any amortization schedule or sinking fund requirements set forth in Section 5.02 hereof or in the Bonds. The Issuer shall, at the direction of the Corporation, direct the Bond Trustee to purchase all or such lesser portion of the Bonds so called for redemption. Any such direction to the Bond Trustee must be in writing, state either that all the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by series, maturity date and outstanding principal amount in Authorized Denominations, and be received by the Bond Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Bond Trustee shall purchase such Bonds on the date which otherwise would be the redemption date of such Bonds. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the 2023 Bond Indenture on such redemption date.

On or prior to the scheduled redemption date, any direction given to the Bond Trustee shall, at the direction of the Corporation, be withdrawn by the Issuer by written notice to the Bond Trustee. Subject generally to this 2023 Bond Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Bonds shall occur.

The purchase shall be made for the account of the Corporation or its designee.

To pay the purchase price of such Bonds, the Bond Trustee shall use such funds (A) deposited by the Corporation with the Bond Trustee for such purpose and (B) funds, if any, held under the 2023 Bond Indenture that the Bond Trustee would have used to pay the outstanding principal of, accrued and interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the scheduled redemption date. The Bond Trustee shall not purchase the Bonds pursuant to the above provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Bond Trustee, or such moneys are deposited but are not available.

No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under the Bonds).

[End of Article V]

ARTICLE VI INVESTMENTS

Section 6.01. Investment of Funds. Any moneys held as part of the Bond Fund or Costs of Issuance Fund shall be invested or reinvested by the Bond Trustee at the written request and direction of the Corporation (upon which the Bond Trustee is entitled to rely) in Permitted Investments. Absent such written request and direction, the Bond Trustee shall invest and re-invest in Government Obligations or a money market fund which constitutes a Permitted Investment described in clause (i) of the definition thereof. The funds in the Administration Expense Fund and Administrative Costs Fund shall be held uninvested. All Permitted Investments shall be either subject to redemption at any time at a fixed value at the option of the owner thereof or shall mature or be marketable not later than the business day prior to the date on which the proceeds are expected to be expended. For the purpose of any investment or replacement under this Section, the Permitted Investments shall be deemed to mature at the earliest date on which the Corporation is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. The Bond Trustee may make any and all investments permitted by the provisions of this Section through its trust department. In order to comply with the directions of the Corporation, the Bond Trustee may sell, or present for redemption, or may otherwise cause liquidation prior to their maturities, any of the obligations in which funds have been invested, and the Bond Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event of any need for funds, the Corporation may instruct the Bond Trustee, in lieu of a liquidation or redemption of investments in the fund or account needing funds, to exchange such investment for investments in another fund or account that may be liquidated at no, or at reduced, loss. The Bond Trustee shall be under no liability for interest on any moneys received hereunder unless specifically agreed to in writing.

Section 6.02. Allocation and Transfers of Investment Income. Any investments in any Fund shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. The Bond Trustee shall not be liable for any loss or penalty resulting from any such investment made in accordance with any permitted direction by the Obligated Group Representative or for the Bonds becoming "arbitrage bonds" by reason of any such investment. Any interest or other gain from any fund from any investment or reinvestment pursuant to Section 6.01 hereof shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Costs of Issuance Fund shall be credited to the Interest Account of the Bond Fund.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Principal Account and the Interest Account of the Bond Fund shall be credited at least semiannually to the Interest Account unless a deficiency exists in the Parity Debt Service Reserve Fund, in which case such interest or other gain shall be paid into such fund forthwith.

The Bond Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in any fund is insufficient for the purposes of such fund.

Section 6.03. Valuation of Permitted Investments. Accounting and valuation of Permitted Investments in any Fund or Account will be performed as follows:

(a) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts and disbursements of Permitted Investments in any Fund and Account covering such period.

(b) The Bond Trustee shall also furnish on or before January 15 and July 15 of each year a statement of the assets contained in each Fund and Account. Assets will be presented in such statements at market value as of December 31 and June 30, respectively, determined in accordance with the normal valuation procedures of the Bond Trustee.

(c) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts of the interest earned on Permitted Investments in any Fund and account covering such period.

[End of Article VI]

ARTICLE VII
DISCHARGE OF BOND INDENTURE

Section 7.01. Discharge of the 2023 Bond Indenture. If, when the Bonds secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this 2023 Bond Indenture and the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder (including but not limited to the fees and expenses of the Bond Trustee and any Paying Agent, in accordance with Section 3.12 hereof), then the right, title and interest of the Bond Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the written request of the Issuer or of the Corporation, and upon receipt of an Opinion of Counsel to the effect that all conditions precedent herein provided relating to the satisfaction and discharge of this 2023 Bond Indenture have been complied with, the Bond Trustee shall execute such documents as may be reasonably required by the Issuer and shall turn over to the Corporation any surplus in the Bond Fund.

All Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Section if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Bond Trustee in form satisfactory to it irrevocable written instructions to give on a date in accordance with the provisions of Section 5.04 hereof notice of redemption of such Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.04 hereof, (ii) there shall have been deposited with the Bond Trustee (or another Paying Agent) either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, or any other Person other than the holder thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Bond Trustee or any Paying Agent at the same time (including the Bond Fund), shall be sufficient, as evidenced by a verification report containing the opinion of an independent certified public accountant, to pay when due the principal of, premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (iii) there shall have been submitted to the Issuer and the Bond Trustee an opinion of Bond Counsel to the effect that the defeasance of the Bonds in accordance with this Article will not cause interest on the Bonds to become includable in gross income for federal income tax purposes and (iv) in the event that said Bonds are not by their terms subject to redemption within the next forty-five (45) days, the Corporation shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.04 hereof, a notice to the owners of such Bonds that the deposit required by subclause (ii) above has been made with the Bond Trustee (or another depository) and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds. Neither the Government Obligations nor moneys deposited with the Bond Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; provided any such cash received from such principal or interest payments on such Government Obligations deposited with the Bond Trustee, if not then needed for such purpose, shall, at the written direction of the Corporation, either (1) be reinvested, to the extent practicable, in Government Obligations of the type described in clause (ii) of this paragraph bearing the highest rating available maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be or (2) be used to pay principal and/or interest on the Bonds. At such time as any Bond shall be deemed paid as aforesaid, it shall no longer be secured

by or entitled to the benefits of this 2023 Bond Indenture, except for the purpose of any payment from such moneys or Government Obligations deposited with the Bond Trustee and the purpose of transfer and exchange pursuant to Section 2.05 hereof.

The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Bond Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable and necessary expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

[End of Article VII]

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01. Events of Default. If any of the following events occur, it is hereby defined as and shall be deemed an “Event of Default”:

(a) Default in the payment of the principal or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, or upon proceedings for redemption or as required by any amortization schedule or sinking fund requirements set forth in this 2023 Bond Indenture or in the Bonds.

(b) Default in the payment of any installment of interest on any Bond when the same shall become due and payable.

(c) An event of default under any of the Bond Documents.

(d) Failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions in its part in this 2023 Bond Indenture or in the Bonds contained, which failure shall continue for a period of 60 days after written notice specifying such failure and requesting that it be remedied, is given to the Issuer and the Corporation by the Bond Trustee or to the Issuer, the Corporation and to the Bond Trustee by the Beneficial Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding; provided that such failure is the result of the failure of the Corporation to perform its obligations under the 2023 Agreement.

(e) An Event of Bankruptcy with respect to the Corporation.

Section 8.02. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Bond Trustee shall have the following rights and remedies:

(a) The Bond Trustee shall, in the event that the payment of the principal of and accrued interest on the Series 2023A Obligation has been declared due and payable immediately by the Master Trustee, by notice in writing given to the Issuer and the Corporation, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee shall give notice to the Bondholders in the same manner as a notice of redemption under Article V hereof, stating the date upon which the Series 2023A Obligation and the Bonds shall be payable.

The provisions of the preceding paragraph, however, are subject to the condition that if, after the payment of the principal of, and accrued interest on, the Series 2023A Obligation and the Bonds has been declared due and payable immediately, the declaration of the acceleration of the Series 2023A Obligation shall be annulled in accordance with the provisions of the Master Indenture, the declaration of the acceleration of the Bonds shall be automatically annulled, and the Bond Trustee shall promptly give written notice of such annulment to the Issuer and the Corporation and notice to Bondholders in the same manner as a notice of redemption under Article V hereof; but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon;

(b) The Bond Trustee may, by mandamus, or other suit, action or proceeding at law or in equity, enforce the rights of the Bondholders, and require the Issuer or the Corporation or both

of them to carry out the agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act, the 2023 Agreement and this 2023 Bond Indenture.

(c) The Bond Trustee may, by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Bondholders but any such judgment against the Issuer shall be enforceable only against the funds and accounts hereunder in the hands of the Bond Trustee (excluding the Rebate Fund).

(d) The Bond Trustee may, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(e) The Bond Trustee may, upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

(f) The Bond Trustee may make withdrawals from any fund or account that is part of the Trust Estate to pay debt service on the Bonds, pay costs and expenses (including attorneys' fees) of the Bond Trustee and for other purposes as directed by Majority Bondholders.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.03. Majority of Bondholders May Control Proceedings. Anything in this 2023 Bond Indenture to the contrary notwithstanding the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method, and place of conducting all proceedings, to be taken in connection with the enforcement of the terms and conditions of this 2023 Bond Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Bond Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 9.01(m) hereof is provided to it by such Bondholders.

Section 8.04. Rights and Remedies of Bondholders. No Beneficial Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this 2023 Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other applicable remedy hereunder, unless a default has occurred of which the Bond Trustee has been notified as provided in Section 9.01 hereof, or of which by said Section it is deemed to have notice, nor unless such default shall have become an Event of Default and the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding shall have made written request to the Bond Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in their own names, nor unless they have also offered to the Bond Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Bond 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 Bond Trustee to be conditions precedent to the execution of the powers and trusts of this 2023 Bond Indenture, and to any action or cause of action for the enforcement of this 2023 Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Beneficial Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb, or prejudice the lien of this 2023 Bond Indenture by its 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 Beneficial Owners of all Bonds then Outstanding. Nothing in this 2023 Bond Indenture contained shall, however, affect or impair the right of any Beneficial Owner of Bonds to enforce the payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Beneficial Owners of the Bonds at the time and place, from the source and in the manner herein, and in the Bonds expressed.

Section 8.05. Application of Moneys.

(a) Subject to the provisions of subparagraph (c) hereof, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article together with all funds held by the Bond Trustee hereunder (other than the Rebate Fund) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the outstanding fees of the Bond Trustee and the expenses, indemnification payments, liabilities, and advances incurred or made by the Bond Trustee, be deposited into the Bond Fund, and all moneys so deposited into the Bond Fund and all moneys held in or deposited into the Bond Fund during the continuance of an Event of Default and available for payment of the Bonds under the provisions hereof shall (after payment of the fees and expenses of the Issuer and the Issuer Indemnified Persons, and any other payments due them in respect of the Reserved Rights (including, without limitation, indemnification payments); provided, that payment of amounts due to the Issuer or the Issuer Indemnified Persons under this section shall not absolve the Corporation from liability therefor except to the extent of the amounts received from the Bond Trustee outside of all applicable preference periods) be applied as follows:

First. To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds 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 of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this 2023 Bond Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due at the rate of interest borne by such Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee 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. Whenever the Bond 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 Bond Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such unpaid Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Bond Trustee and the Paying Agents and all Administration Expenses have been paid, any balance remaining in any funds shall be paid to the Corporation as provided in Section 3.14 hereof.

Section 8.06. Bond Trustee May Enforce Rights Without Bonds. All rights of action and claims under this 2023 Bond Indenture or any of the Bonds Outstanding hereunder may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bonds and any recovery of judgment shall be for the ratable benefit of the owners of the Bonds, subject to the provisions of this 2023 Bond Indenture.

Section 8.07. Bond Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Corporation, the Bond Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Bond Trustee and of the Bondholders allowed in such proceedings for the entire amount due and payable by the Issuer under the 2023 Bond Indenture or by the Corporation at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Bondholder to file a claim in his, her or its own behalf.

No provision of this 2023 Bond Indenture empowers the Bond Trustee to authorize, consent to, accept or adopt on behalf of any Bondholder any plan or reorganization, arrangement, adjustment or composition affecting any of the rights of any Bondholder, or authorizes the Bond Trustee to vote in respect of the claim in any proceeding described in this Section.

In the event the Bond Trustee incurs expenses or renders services in any proceedings affecting the Corporation and described in this Section, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Bond Trustee or of any Bondholder to exercise any right or power accruing upon any default or Event of Default shall exhaust or 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 power and remedy given by this 2023 Bond Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. Discontinuance of Proceedings on Default, Position of Parties Restored. In case the Bond Trustee shall have proceeded to enforce any right under this 2023 Bond Indenture, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, then and in every such case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 8.10. Enforcement of Rights. The Bond Trustee, as pledgee and assignee for security purposes of all the right, title, and interest of the Issuer in and to the 2023 Agreement (except the Reserved Rights) and the Series 2023A Obligation shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article VIII, be the sole real party in interest in respect of, and shall have standing, exclusive of owners of Bonds to enforce each and every right granted to the Issuer under the 2023 Agreement and under the Series 2023A Obligation. The Issuer and the Bond Trustee hereby agree,

without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of any and all rights of the Issuer in and to the Series 2023A Obligation and the 2023 Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this 2023 Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Issuer or its default hereunder or on the Bonds. Subject to Section 9.01 hereof, after the occurrence and during the continuation of an Event of Default, in exercising such right and the rights given the Bond Trustee under this Article VIII, the Bond Trustee shall take such action as, in the judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to owners of the Series 2023A Obligation.

Section 8.11. Undertaking for Costs. All parties to this 2023 Bond Indenture agree, and each Beneficial Owner of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this 2023 Bond Indenture, or in any suit against the Bond Trustee for any action taken or omitted by it as Bond Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Bond Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by a Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond on or after the respective maturities thereof expressed in such Bond (or, in the case of redemption, on or after the redemption date).

Section 8.12. Waiver of Events of Default. The Bond Trustee shall waive any Event of Default hereunder upon the written request of the Beneficial Owners of a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that the Bond Trustee may not waive an Event of Default described in subparagraph (a) of Section 8.01 hereof without the written consent of the Beneficial Owners of all Bonds then Outstanding.

Section 8.13. No Obligation to Enforce Rights. Notwithstanding anything to the contrary in this 2023 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2023 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2023 Bond Indenture or the 2023 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of a default and the obligations of the Corporation under this 2023 Bond Indenture or the 2023 Agreement.

Section 8.14. Non-Impairment of Rights. Nothing in this 2023 Bond Indenture shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article VIII]

ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

Section 9.01. Duties of the Bond Trustee. The Bond Trustee hereby accepts the trust imposed upon it by this 2023 Bond Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this 2023 Bond Indenture against the Bond Trustee:

(a) The Bond 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 2023 Bond Indenture and no implied duties shall be read in to the 2023 Bond Indenture against the Bond Trustee. In case an Event of Default has occurred (which has not been cured) the Bond Trustee shall exercise such of the rights and powers vested in it by this 2023 Bond Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder, either directly or by or through attorneys, agents, receivers, or employees, and the Bond Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care by it hereunder, and shall be entitled to consult with counsel and act upon the written advice or an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trust hereof. The Bond Trustee may act upon any written advice or Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such written advice or Opinion of Counsel.

(c) The Bond Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication by the Bond Trustee endorsed on the Bonds and the acceptance of the trusts hereunder).

(d) The Bond Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or the proceeds thereof, or for any moneys disbursed by the Bond Trustee in accordance with this 2023 Bond Indenture. The Bond Trustee makes no representations as to the validity or sufficiency of this 2023 Bond Indenture or the Bonds. The Bond Trustee is not a party to, is not responsible for, and makes no representations with respect to matters set forth in any official statement, or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee may become the Beneficial Owner of the Bonds with the same rights which it would have if not Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, telephonic transmission or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any request or direction of the Issuer or the Corporation mentioned herein shall be sufficiently evidenced by a written request, order, or consent signed in the name of the Issuer or the Corporation, by the Authorized Signatory, or the Obligated Group Representative, as the case may be. Any action taken by the Bond Trustee pursuant to this 2023 Bond 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 Beneficial Owner of any Bonds shall be conclusive and binding upon all future Beneficial Owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or matter or as to the sufficiency or validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely and shall be protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Corporation by the Authorized Signatory or the Obligated Group Representative or such other person as may be designated for such purpose by Certified Resolution as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Bond Trustee to do things enumerated in this 2023 Bond Indenture shall not be construed as a duty (except as otherwise herein provided) and the Bond Trustee shall not be answerable for other than its own negligence or willful misconduct, except that:

(i) the Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

(ii) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of at least a majority in Aggregate Principal Amount of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this 2023 Bond Indenture; and

(iii) the Bond Trustee shall not be liable if the Bond Trustee reasonably relies in good faith upon an officer's certificate delivered pursuant to this 2023 Bond Indenture or an Opinion of Counsel.

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by Article III hereof unless the Bond Trustee shall be specifically notified in writing of such default by the Issuer or by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds then Outstanding and all notices or other instruments required by this 2023 Bond Indenture to be delivered to the Bond Trustee, must, in order to be effective, be delivered to a Responsible Officer at the designated corporate trust office of the Bond Trustee, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received, but need not be segregated from other funds except to the extent required by this 2023 Bond Indenture or law.

(j) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect the Project, including all books, papers, and records of the Issuer and the Corporation pertaining to the Project and the Bonds.

(k) The Bond 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, and no provision of this 2023 Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have grounds for believing that repayment of such funds or indemnity satisfactory against such risk or liability is not assured to it.

(l) Notwithstanding anything in this 2023 Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this 2023 Bond Indenture, any showings, certificates, opinion, 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 Bond Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Bond Trustee.

(m) Before taking any action under this Section or Article VIII hereof or otherwise taking any action at the request or direction of any holder or Beneficial Owner, the Bond Trustee may require that indemnity reasonably satisfactory to it be furnished to it for the reimbursement of its fees, costs, liabilities and all expenses (including attorneys' fees) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) Except as provided in Section 9.01(a) above, it shall not be the duty of the Bond Trustee, except as expressly provided herein, to see that any duties or obligations imposed herein or in the 2023 Agreement upon the Issuer, the Corporation, or other Persons are performed, and the Bond Trustee shall not be liable or responsible because of the failure of the Issuer, the Corporation, or other Persons to perform any act required of them pursuant to the terms of this 2023 Bond Indenture.

(o) In acting or omitting to act pursuant to the provisions of the 2023 Agreement, the Bond Trustee shall be entitled to and be protected by the rights and immunities accorded to it by the terms of this 2023 Bond Indenture.

(p) The Bond Trustee's immunities and protections from liability in connection with the performance of its duties under this 2023 Bond Indenture shall extend to the Bond Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Bond Trustee's right to compensation, shall survive the Bond Trustee's resignation or removal and final payment of the Bonds.

(q) In no event shall the Bond Trustee 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 Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 9.02. Fees and Expenses of Bond Trustee and Paying Agent. The Issuer agrees, but solely from any funds received from the Corporation pursuant to the 2023 Agreement,

(a) to pay to the Bond Trustee, each Paying Agent and all other agents their reasonable fees for services rendered hereunder as and when the same become due and all expenses (including attorneys' fees) reasonably made or incurred by the Bond Trustee, such Paying Agent or such other

agent in connection with such services as and when the same become due as provided in Section 3.12 hereof; and

(b) to reimburse the Bond Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bond Trustee in accordance with any provisions of this 2023 Bond Indenture (including the reasonable compensation, expenses, and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Bond Trustee.

As security for the performance of the obligations of the Issuer under this Section, the Bond Trustee shall be secured under this 2023 Bond Indenture by a lien prior to the lien securing the Bonds and for the payment of the expenses and reimbursements due hereunder, the Bond Trustee shall have the right to use and apply any trust funds held by it hereunder.

Section 9.03. Resignation or Replacement of Bond Trustee. The present or any future Bond Trustee may resign by giving to the Issuer, the Corporation and each Bondholder thirty days' notice of such resignation. Such resignation shall not be effective until such time as a successor Bond Trustee shall have accepted its appointment. The present or any future Bond Trustee may be removed (a) at any time by an instrument in writing executed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of Bonds Outstanding or (b) if an Event of Default hereunder has not occurred and is continuing, by an instrument in writing executed by the Corporation.

In case the present or any future Bond Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Bondholders, or their attorneys in fact duly appointed; provided that the Issuer may, by an instrument executed by order of the Board of Directors, appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The Issuer upon making such appointment shall forthwith give notice thereof to each Bondholder and to the Corporation, which notice may be given concurrently with the notice of resignation given by any resigning Bond Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Beneficial Owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding. In the event that the Issuer does not so act within thirty days after notice of resignation, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor Bond Trustee.

Every successor Bond Trustee shall always be a bank, banking corporation or trust company with trust powers in good standing, qualified to act hereunder, and having a combined capital and surplus of not less than \$50,000,000. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the predecessor Bond Trustee an instrument accepting such appointment hereunder and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as Bond Trustee herein; but the Bond Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall, upon payment of the expenses, charges and other disbursements which are due and owing to it pursuant to Section 3.12 and Section 9.02 hereof, duly assign, transfer and deliver to the successor all properties and moneys held by it under this 2023 Bond Indenture. Should any instrument in writing from the Issuer be required by any successor for more fully and certainly vesting in and confirming to it all of such estates, properties, rights, powers, and trusts, the Issuer shall, on request of such successor, make, execute, acknowledge, and deliver the deeds, conveyances, and necessary instruments in writing.

The notices herein provided for shall be given by mailing a copy thereof to the Corporation and the registered owners of the Bonds at their addresses as the same shall last appear on the registration books. The instruments evidencing the resignation or removal of the Bond Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Bond Trustee in each recording office where this 2023 Bond Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Bond Trustee. Any bank, banking corporation or trust company into which the Bond Trustee merges or is consolidated, or to which it (or a receiver on its behalf) may sell or transfer its corporate trust business as a whole, or substantially as a whole, shall be the successor of the Bond Trustee under this 2023 Bond Indenture with the same rights, powers, duties, and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have authenticated, but not delivered, any successor Bond Trustee may adopt the certificate of any predecessor Bond Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Bond Trustee may authenticate such Bonds in the name of such successor Bond Trustee.

Section 9.05. Designation and Succession of Paying Agent. The Bond Trustee and any other banks or trust companies, if any, designated as Paying Agent or Paying Agents in any supplemental indenture, shall be the Paying Agent or Paying Agents for the Bonds.

Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this 2023 Bond Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within thirty days thereafter, appoint such bank or trust company as shall be specified by the Corporation and located in the same city as such Paying Agent to fill such vacancy; provided, however, that if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Trustee shall make such appointment.

The Paying Agents, if any, shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 9.01 hereof with respect to the Bond Trustee insofar as such provisions may be applicable.

Section 9.06. Filing of Financing Statements. The Obligated Group shall file or record or cause to be filed or recorded all financing statements that are required in order fully to protect and preserve the security interests granted to the Bond Trustee herein and the priority thereof and the rights and powers of the Bond Trustee in connection therewith. Subject to the terms of Section 4.03, the Bond Trustee shall file or record or cause to be filed or recorded all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which shall have been filed at or prior to the issuance of the Bonds in connection with the security for the Bonds and (ii) any previously filed continuation statements that shall have been filed as required herein. The Bond Trustee shall deliver to the Corporation or its designee all such continuation statements as may be required for the purposes specified in the preceding sentence. Upon the filing of any such financing statement or continuation statement the Corporation shall immediately notify the Issuer and the Bond Trustee that the same has been accomplished.

Section 9.07. Voting Rights with Respect to the Series 2023A Obligation. The Issuer hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall, exercise for the benefit of the Bondholders, the power to execute all waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of a holder and owner of the Series 2023A Obligation, which power shall be

irrevocable so long as such Obligation shall be pledged hereunder. The Bond Trustee shall exercise such power with respect to the Series 2023A Obligation when and as, but only when and as, directed to do so by written direction of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds of the related series.

[End of Article IX]

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE 2023 AGREEMENT

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee may, without the consent of, or notice to, the Bondholders, enter into such indentures or agreements supplemental hereto (which supplemental indentures or agreements shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) To add to the covenants and agreements in this 2023 Bond Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Bondholders.
- (b) To cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained in this 2023 Bond Indenture.
- (c) To subject to this 2023 Bond Indenture additional revenues, properties, or collateral.
- (d) To qualify this 2023 Bond Indenture under the Trust Indenture Act of 1939, if such be hereafter required in the Opinion of Counsel.
- (e) To maintain the extent to which the interest on the Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such supplemental indenture or agreement is necessary.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, in case one or more but less than all of the Bonds then Outstanding hereunder are so affected, shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this 2023 Bond Indenture; provided, however, that without the consent of the Beneficial Owners of all the Bonds at the time Outstanding nothing herein contained shall permit, or be construed as permitting any of the following:

- (a) An extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond, without the consent of the Beneficial Owner of such Bond.
- (b) The deprivation of the Beneficial Owner of any Bond then Outstanding of the lien created by this 2023 Bond Indenture and the Master Indenture (other than as originally permitted hereby).
- (c) A privilege or priority of any Bond or Bonds, over any other Bond.
- (d) A reduction in the aggregate principal amount of the Bonds required for consent to any supplemental indenture.

(e) Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made with the consent of the Beneficial Owners of 66-2/3% in aggregate principal amount of all Outstanding Bonds.

(f) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this 2023 Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this 2023 Bond Indenture of the Issuer, the Bond Trustee and all Beneficial Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

If at any time the Issuer shall request the Bond Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to costs, fees and expenses (including attorneys' fees), cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Bonds at their addresses as the same last appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated office of the Bond Trustee for inspection by all Bondholders. If, within sixty days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Beneficial Owners of not less than a majority 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 Beneficial Owner of any Bond 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 Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indentures. The Bond Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties, or immunities under this 2023 Bond Indenture. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of a supplemental indenture is authorized or permitted by this 2023 Bond Indenture and has been effected in compliance with the provisions hereof.

Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this 2023 Bond Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this 2023 Bond Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any, if deemed necessary or desirable by the Bond Trustee.

Section 10.04. Consent of the Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture unless the Corporation is in default under the 2023 Agreement or an Event of Default described under Section 8.01(a), (b) or (c) hereunder has occurred and is continuing, in which case no consent of the Corporation shall be required. The Bond Trustee shall cause notice of the proposed execution of any supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Corporation at least fifteen days prior to the proposed date of execution of such supplemental indenture.

Section 10.05. Amendments, Etc., of the 2023 Agreement Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the 2023 Agreement as may be required (i) to conform such 2023 Agreement to the provisions of this 2023 Bond Indenture, as it may be supplemented from time to time in accordance herewith, and (ii) to maintain the extent to which the interest on the Bonds is not includable in the gross income of the recipients thereof, if in the opinion of Bond Counsel such amendment is necessary.

Section 10.06. Amendments, Etc., of the 2023 Agreement Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 10.05 hereof, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the 2023 Agreement without the giving of notice to and the written approval or consent of the Beneficial Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in Section 10.02 hereof. If at any time the Issuer and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change, or modification of the 2023 Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders.

In executing any amendment, change or modification of the 2023 Agreement, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of such amendment, change, modification of the 2023 Agreement is authorized or permitted by this 2023 Bond Indenture and the 2023 Agreement and has been effected in compliance with the provisions of this 2023 Bond Indenture and the 2023 Agreement. The Bond Trustee may, but shall not be obligated to, enter into any such amendment, change, or modification which affects the Bond Trustee's own rights, duties or immunities.

[End of Article X]

ARTICLE XI MISCELLANEOUS

Section 11.01. Evidence of Signature of Beneficial Owners and Ownership of Bonds. Any request, consent, or other instrument which the 2023 Bond Indenture may require or permit to be signed and executed by the Beneficial Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Beneficial Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or of the Beneficial Ownership of Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Bond Trustee may, nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Beneficial Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of any fully registered Bond and the amount and numbers of such Bonds and the date of holding the same shall be proved by the registration books of the Issuer kept by the Bond Trustee. Any request or consent of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Bond Trustee in accordance therewith.

Section 11.02. No Personal Liability. No recourse under or upon any obligation, covenant or agreement contained in this 2023 Bond Indenture, or in any Bond hereby secured, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this 2023 Bond Indenture, shall be had against any officer, director, agent or employee, as such, past, present or future, of any of the Issuer or the Bond Trustee, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Beneficial Owner of any Bond issued hereunder or otherwise of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such person to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof or for or to the Beneficial Owner of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this 2023 Bond Indenture and the issue of such Bonds. No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the 2023 Agreement or any claim based hereon or thereon, or be subject to any personal liability or accountability by reason of the execution and delivery of this 2023 Bond Indenture or the 2023 Agreement.

Section 11.03. Limited Obligation. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member the State or any other political subdivision or agency thereof, nor the faith and credit or the taxing power of the State of North Carolina or any political subdivision thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims

or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the 2023 Agreement, the Bonds or the 2023 Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the 2023 Agreement.

The Bond Trustee hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds is the Trust Estate, and hereby agrees that if such amounts in the Trust Estate shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then the Bond Trustee shall give notice to the Corporation in accordance with Article VIII of the 2023 Bond Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of, premium, if any, or interest, or costs incidental thereto including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Notwithstanding anything to the contrary in this 2023 Bond Indenture or the 2023 Agreement, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2023 Bond Indenture or the 2023 Agreement, shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under the 2023 Bond Indenture or the 2023 Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under the 2023 Agreement.

Section 11.04. Parties Interested Herein. With the exception of rights herein expressly conferred on the Corporation and in Section 11.14 hereto, nothing in this 2023 Bond Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Bonds, any right, remedy, or claim under or by reason of this 2023 Bond Indenture, and any covenants, stipulations, promises, and agreements in this 2023 Bond Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Bond Trustee, the Paying Agents, and the Beneficial Owners of the Bonds.

Section 11.05. Titles, Headings, Etc. The titles and headings of the articles, sections, and subdivisions of this 2023 Bond Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06. Severability. In the event any provision of this 2023 Bond Indenture 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 11.07. Governing Law. This 2023 Bond Indenture shall be governed and construed in accordance with the laws of the State. All claims of whatever character arising out of this 2023 Bond Indenture, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Dane County, Wisconsin. By executing and delivering this 2023 Bond Indenture, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers

commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.08. Execution of Counterparts. This 2023 Bond 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. The parties hereto agree the transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 11.09. Notices. Any notice, request or other communication under this Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

- (a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.
Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this 2023 Bond Indenture and delivered using electronic means ("Electronic Means") means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder); provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.10. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this 2023 Bond Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day

that is a Business Day with the same force and effect as if done on the nominal date provided in this 2023 Bond Indenture.

Section 11.11. Issuer's Performance. None of the provisions of this 2023 Bond Indenture or the 2023 Agreement shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds, the Bond Project or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2023 Bond Indenture, the 2023 Agreement, and any and every Bond executed, authenticated and delivered under this 2023 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been directed to do so in writing by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2023 Agreement, including, but not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2023 Agreement and (ii) upon any written certification or opinion furnished to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2023 Bond Indenture or the 2023 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2023 Agreement that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.12. Content of Certificates. Notwithstanding any provision hereof to the contrary, whenever any certificate or opinion is required by the terms of this 2023 Bond Indenture to be given by the Issuer on its own behalf, any such certificate or opinion may be made or given by an Authorized Signatory (and in no event individually) and may be based (i) insofar as it relates to factual matters, upon a certificate of or representation by the Bond Trustee or the Corporation; and (ii) insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, in each case under clause (i) or (ii) without further investigation or inquiry by such Authorized Signatory or otherwise on behalf of the Issuer.

Section 11.13. Limitation of Liability. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY MEMBER, ANY SPONSOR, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OF WISCONSIN OR ANY MEMBER AND DO NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE IN ANY MANNER ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY

APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS NOR THE FAITH AND CREDIT OF THE ISSUER, ANY SPONSOR OR ANY ISSUER INDEMNIFIED PERSON SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

Section 11.14. Third Party Beneficiaries. Notwithstanding any provision hereof to the contrary, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2023 Bond Indenture entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, Public Finance Authority has caused this 2023 Bond Indenture to be executed on its behalf by its Assistant Secretary, and UMB Bank, National Association has caused this 2023 Bond Indenture to be executed on its behalf by its duly authorized officer to evidence its acceptance of the trusts hereby created, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

UMB BANK, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

EXHIBIT A
INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[Amount] Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project)
 Series 2023A (Forward Delivery)

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of March 1, 2023 (the “Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____, 2021 and has been given access to copies of the Indenture (including the form of Bond) and the 2023 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.
4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.
6. Investor is (i) an “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) a “Qualified Institutional Buyer” as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations

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of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a “Qualified Institutional Buyer” as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor’s purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the 2023 Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor’s breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:
Name:
Title:

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(THIS TABLE OF CONTENTS IS NOT A PART OF THIS
LOAN AGREEMENT AND IS ONLY FOR CONVENIENCE OF REFERENCE)

**PUBLIC FINANCE AUTHORITY
AND
SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT COMMUNITY**

LOAN AGREEMENT

Dated as of October 1, 2021

**§[2021A Amount]
Public Finance Authority
Revenue Bonds
(Searstone CCRC Project)
Series 2021A**

**§[2021B-1 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-1**

**§[2021B-2 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-2**

**§[2021C Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021C Taxable**

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EXHIBIT A – 2021 Project Description

EXHIBIT B – Form of Request for Cost of Issuance Fund Disbursement

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of October 1, 2021 (this “2021 Agreement”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **SAMARITAN HOUSING FOUNDATION, INC.**, a nonprofit corporation duly organized and existing under the laws of the State of Georgia and authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”);

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the acquisition and construction of a continuing care retirement community located in Wake County, North Carolina (the “Community”), owned and operated by the Corporation, and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, of which \$8,000,000 in aggregate principal amount remains currently outstanding (the “Series 2016 Bonds”), to finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s health center and the acquisition of land for the Phase II Expansion (as defined below), and to fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project)

Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease and refund all of the Series 2012 Bonds that then remained outstanding, finance certain pre-development costs relating to the Phase II Expansion, fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation (the “Series 2017 Obligation”), issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as of December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), all of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined below), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund created under the Master Indenture, and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of (1) financing capital expenditures, including but not limited to, (a) costs relating to the expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion”), and (b) costs relating to modification, improvement, or enhancement of infrastructure serving the

Community (collectively with the capital expenditures described in clause (a), the “2021 Project”) and (2) refunding all of the outstanding 2020 Bonds (the “Refunded 2020 Bonds”); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as “Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A,” in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”), its revenue bonds, to be designated “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1,” in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2,” in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its “Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable,” in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, collectively with the Series 2021A Bonds, Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021 Bonds” or the “Bonds”) to (a) finance the 2021 Project, (b) refund the Refunded 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund created under the Master Indenture as additional security for the Series 2021A Obligation (as defined below), (e) fund the 2021B-C Debt Service Reserve Fund (as defined herein) and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the 2021 Project is to be located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Series 2021 Bonds; and

WHEREAS, the financing and refinancing of the 2021 Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the 2021 Project is located; and

WHEREAS, the obligation of the Corporation to make loan payments under this 2021 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2021A Bonds will be evidenced by the Corporation’s Series 2021A Master Obligation, in the principal amount of \$[2021A Amount], payable to the Issuer (the “Series 2021A Obligation”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 5 (“Supplement Number 5”), dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, the obligation of the Corporation make loan payments under this 2021 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds will be evidenced by the Corporation’s Series 2021B-C Master Obligation, in the principal amount of \$[2021B-C Amount], payable to the Issuer (the “Series 2021B-C Obligation” and, together with the Series 2021A Obligation, the “Series 2021 Obligations”), issued under the Master Indenture, as previously supplemented and as supplemented by Supplement Number 5; and

WHEREAS, each of the Series 2021 Obligations is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2016 Obligation and the Series 2017 Obligation; and

WHEREAS, the Issuer and the Corporation have each duly authorized the execution, delivery and performance of this 2021 Agreement; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

“2021 Agreement” means this 2021 Agreement and any amendments and supplements hereto made in conformity herewith and with the 2021 Bond Indenture.

“2021 Bond Indenture” means the Indenture of Trust dated as of October 1, 2021 between the Issuer and the Bond Trustee pursuant to which the Series 2021 Bonds are being issued, including any indentures supplemental thereto made in conformity therewith.

“2021B-C Bonds” means, collectively, the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds.

“2021B-C Debt Service Reserve Fund” means the 2021B-C Debt Service Reserve Fund created in Section 3.08 of the 2021 Bond Indenture.

“2021B-C Debt Service Reserve Fund Requirement” means, (a) with respect to the Series 2021B-1 Bonds, \$ _____, (b) with respect to the Series 2021B-2 Bonds \$ _____, and (c) with respect to the Series 2021C Bonds \$ _____.

“2021 Project” means the 2021 Project to be financed and refinanced by the Series 2021 Bonds as described in Exhibit A hereto.

“Account” means any account established within a Fund.

“Act” means Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time.

“Administration Expenses” means the fees and expenses incurred by the Issuer pursuant to this 2021 Agreement and the 2021 Bond Indenture, including, but not limited to, the amounts described in Section 5.7 hereof.

“Affiliate” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Aggregate Principal Amount” means the outstanding principal amount plus, in the case of a security sold at a discount to the purchaser thereof the accreted value of such discount calculated in accordance with the documents authorizing such security, or if not so defined, generally accepted accounting principles.

“Architect” means, initially, Stewart & Connors Architects, PLLC, and thereafter an independent architect or engineer or firm of architects or engineers which is appointed by the Corporation for the purpose of passing on questions relating to the design and construction of the 2021 Project, has all licenses and certifications necessary for the performance of such services, has a favorable reputation for skill and experience in performing similar services in respect of facilities of a comparable size and nature, and is not unsatisfactory to the Underwriter or the Construction Monitor.

“Assignment of Contracts” means the Assignment of Contracts, dated as of October 1, 2021, from the Corporation for the benefit of the Master Trustee.

“Authorized Corporation Representative” means the person or persons at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Bond Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Denominations” means, with respect to the Series 2021 Bonds, the denomination of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Series 2021 Bonds shall be allowed to purchase, transfer, or sell such Series 2021 Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer or sale, each beneficial owner owns at least \$25,000 of principal amount of the Series 2021 Bonds. In the event the Series 2021 Bonds receive an Investment Grade Rating from at least one Rating Agency, the Issuer shall direct the Bond Trustee, upon a written request from the Corporation, to reduce the minimum denomination for the Series 2021 Bonds to \$5,000 or any integral multiple thereof.

“Authorized Signatory” means any officer, director or other Person designated by resolution of the Board of Directors of Issuer (whether such resolution is adopted in connection with the issuance of the Series 2021 Bonds or otherwise) or by Issuer’s Bylaws as an ‘Authorized Signatory’ empowered to, among other things, execute and deliver on behalf of Issuer the 2021 Bond Indenture, this 2021 Agreement, and the Series 2021 Bonds.

“Beneficial Owner” means the owners of beneficial ownership interests in the Series 2021 Bonds purchased through participants of the Securities Depository. Beneficial Ownership shall be proved as provided in Section 11.01 of the 2021 Bond Indenture.

“Board” or “Board of Directors” means the governing body of the Issuer.

“Bond Counsel” means Robinson, Bradshaw & Hinson, P.A., and its successors or such other nationally recognized bond counsel as may be selected by the Corporation and reasonably acceptable to the Issuer and the Bond Trustee.

“Bond Documents” means this 2021 Agreement, the 2021 Bond Indenture, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, the Deed of Trust and the Assignment of Contracts.

“Bond Fund” means the Bond Fund created in Section 3.02 of the 2021 Bond Indenture.

“Bondholder” or “Owner of the Series 2021 Bonds” mean the registered owner of any fully registered Bond.

“Bond Trustee” means UMB Bank, National Association, being the registrar, a paying agent and the Bond Trustee under the 2021 Bond Indenture, or any successor corporate trustee.

“Business Day” means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Minneapolis, Minnesota (or, if different, in the city in which the designated corporate trust office of the Bond Trustee is located), a day on which banking institutions are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certificate of Occupancy” means a certificate of occupancy issued for the residential units in the 2021 Project.

“Certified Resolution” means a resolution duly adopted by the Board of Directors, certified by an authorized signatory.

“Closing Date” means the date on which the Series 2021 Bonds are delivered to the purchaser or purchasers thereof and payment is received by the Bond Trustee.

“Code” means the Internal Revenue Code of 1986, as amended.

“Completion Certificate” means a certificate of the Corporation delivered pursuant to Section 4.2(b) hereof.

“Completion Date” means the date specified in the Completion Certificate as the date of completion or termination of the 2021 Project.

“Construction Monitor” means Alcala Construction Management, Inc., and its successors and assigns.

“Corporation” means Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community”, and any and all successors thereto in accordance with the Master Indenture.

“Cost” or “Costs” as applied to the 2021 Project means and includes any and all costs of the 2021 Project permitted by the Act and, without limiting the generality of the foregoing, shall include the following:

- (a) the cost of the acquisition of all land, rights of way, options to purchase land, easements, leasehold estates in land, and interests of all kinds in land related to the 2021 Project;
- (b) the cost of the acquisition, construction, development, repair, renovation, remodeling, or improvement of all buildings and structures to be used as or in conjunction with the 2021 Project, including all acquisition, construction and installation costs required to provide utility services or other similar facilities and all labor costs relating thereto;
- (c) the cost of site preparation, including the cost of demolishing or removing any buildings or structures the removal of which is necessary or incident to providing the 2021 Project;
- (d) the cost of architectural, consulting, engineering, legal, accounting, and related services; the cost of the preparation of plans, specifications, studies, surveys, and estimates of cost and of revenue; and all other expenses necessary or incident to planning, providing, or determining the feasibility and practicability of the 2021 Project;
- (e) the cost of all machinery, equipment, furnishings, and facilities necessary or incident to the equipping of the 2021 Project so that it may be placed in operation;

(f) the cost of financing charges and interest prior to and during the construction of the 2021 Project and for a maximum of three years after the Closing Date;

(g) any and all costs paid or incurred in connection with the financing of the 2021 Project, including without limitation the cost of financing, legal, accounting, financial advisory, and appraisal fees, expenses, and disbursements; the cost of any policy or policies of title insurance; the cost of printing, engraving, and reproduction services; and the cost of the initial or acceptance fee of any trustee or paying agent;

(h) all direct and indirect costs of the Issuer incurred in connection with providing the 2021 Project;

(i) the cost of financing, establishing, and funding a reserve fund or reserve funds for a program of self-insurance and/or risk management and further including, without limitation, the cost of the preparation of studies, surveys, and estimates of cost, revenue, risk, and liability and all other costs and expenses necessary or incident to the planning, providing, or determining the feasibility and practicability and the continuing program and operating costs of such program of self-insurance and/or risk management; and

(j) payment to the Corporation of such amounts, if any, as should be necessary to reimburse the Corporation in full for all advances of payments made by it for any of the items set forth in (a) through (i) above.

“Costs of Issuance” means all costs and expenses incurred by the Issuer or the Corporation in connection with the issuance and sale of the Series 2021 Bonds, including without limitation (i) fees and expenses of accountants, attorneys, engineers, and financial advisors, (ii) materials, supplies, and printing and engraving costs, (iii) recording and filing fees and (iv) rating agency fees.

“Cost of Issuance Fund” means the Cost of Issuance Fund created under Section 3.17 of the 2021 Bond Indenture.

“Debt Service Reserve Fund Obligations” means cash and Permitted Investments.

“Deed of Trust” means the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021, from the Corporation to Stewart Title Company, as deed of trust trustee for the use and benefit of the Master Trustee, as the same may be amended in accordance with its provisions.

“Delivery Date” means the date the Series 2021 Bonds are delivered to the initial purchasers against payment therefor.

“Determination of Taxability” means:

(a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that an Event of Taxability has occurred,

(b) the deposit by the Corporation with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the Date of Taxability; the Corporation will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability,

(c) the rendering of a final and unappealable decision, judgment, decree, or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred, or

(d) the deposit by Bond Counsel with the Bond Trustee of an unqualified opinion to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Tax Exempt Bonds is excluded from gross income for purposes of federal income taxation.

“Disbursement Agreement” means the Construction Disbursement and Monitoring Agreement dated as of October 1, 2021 among the Corporation, the Construction Monitor and the Bond Trustee.

“Entrance Fee Redemption Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2021 Bond Indenture.

“Entrance Fee Redemption Date” means each March 1, June 1, September 1 and December 1 following an Entrance Fee Transfer Date.

“Entrance Fee Transfer Date” means each February 15, May 15, August 15, and November 15 prior to the termination of the Entrance Fee Fund pursuant to Section 2.01 in Supplement Number 5.

“Event of Bankruptcy” means the occurrence of any of the following events: (i) the Corporation shall become insolvent or the subject of insolvency proceedings or shall file a petition or other pleading seeking an “order for relief” within the meaning of the United States Bankruptcy Code, or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation of assets or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Corporation, or of substantially all of the assets of the Corporation, or shall make a general assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts generally as they become due; or (ii) a petition or other pleading shall be filed against the Corporation seeking an “order for relief” within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation of assets or similar relief under any present or future law or regulation, and shall remain un-dismissed or un-stayed for an aggregate period of ninety (90) days (whether or not consecutive), or, by an order or decree of a court of competent jurisdiction, the Corporation shall become the subject of an “order for relief” within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or other pleading, or, by order or decree of such court, there shall be appointed, without the consent or acquiescence of the Corporation, a trustee in bankruptcy or reorganization or a receiver or liquidator of the Corporation or of all or any substantial part of the property of the Corporation, and any such order or decree shall have continued un-vacated, un-stayed on appeal or otherwise and in effect for a period of ninety (90) days.

“Event of Default” means those defaults specified in Section 9.1 hereof and Section 8.01 of the 2021 Bond Indenture.

“Event of Taxability” means any conditions or circumstances that cause the interest on any of the Tax Exempt Bonds to become includable in the gross income of the Beneficial Owner thereof for federal income tax purposes.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“Existing Liens” means the exceptions listed in Schedule B, Part I, to the Loan Policy of Title Insurance insuring the Deed of Trust, as endorsed or proposed to be endorsed through the date of this 2021 Agreement.

“Fitch” means Fitch Inc., or any successor thereto maintaining a rating on the Series 2021 Bonds.

“Funds” means the Bond Fund, the Project Fund, the 2021B-C Debt Service Reserve Fund and the Costs of Issuance Fund.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including (in the case of direct obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the Corporation of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Governmental Unit” shall have the meaning set forth in Section 150 of the Code.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the 2021 Project or to persons on or about the 2021 Project or (ii) cause the 2021 Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; and any applicable State environmental statutes, rules and regulations; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the 2021 Project or the owners and/or occupants of property adjacent to or surrounding the 2021 Project, or any other person coming upon the 2021 Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Indemnified Persons” means the Issuer, the Issuer Indemnified Persons, the Bond Trustee, and the Trustee Indemnified Persons.

“Interest Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2021 Bond Indenture.

“Interest Payment Date” means (i) as to the Series 2021 Bonds, each June 1 and December 1, commencing June 1, 2022, or, if such day is not a Business Day, the immediately succeeding Business Day.

“Investment Grade Rating” means a rating (without regard to gradations within such rating category) of “BBB” or higher by Standard & Poor’s or Fitch or “Baa” or higher by Moody’s.

“Issuer” means the Public Finance Authority and its successors and assigns.

“Issuer Indemnified Persons” means, collectively, the Sponsors, the Members and each and all of the Issuer’s, the Sponsor’s and the Members’ respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Signatories, attorneys, contractors, subcontractors, agents and advisers (including, without limitation, counsel and financial advisers) and each of their respective heirs, successors and assigns.

“Issuer’s Annual Fee” means the Issuer’s annual administration fee determined and payable in the amounts and at the times specified in Section 5.7 of this 2021 Agreement.

“Issuer’s Fees and Expenses” means those fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the 2021 Bond Indenture and this 2021 Agreement and all taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received under the 2021 Bond Indenture or this 2021 Agreement or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer, at the Corporation’s expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer.

“Joint Exercise Agreement” means the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 by and among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin and the City of Lancaster, Wisconsin, as such agreement may be amended from time to time.

“Majority Bondholders” means the Beneficial Owner or Beneficial Owners of a majority in aggregate principal amount of the Series 2021 Bonds.

“Master Indenture” means the Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and the Master Trustee, including Supplement Number 1, Supplement Number 2, Supplement Number 3, Supplement Number 4, Supplement Number 5, and any additional supplements or amendments thereto and modifications thereof.

“Master Trustee” means UMB Bank, National Association, as trustee under the Master Indenture, and its successors as trustee thereunder.

“Maximum Rate” means the not to exceed interest rate stated in the resolution of the Board of Directors of the Issuer authorizing the issuance of the Series 2021 Bonds (24% per annum).

“Members” means the parties to the Joint Exercise Agreement and any political subdivision that has been designated in the past, or from time to time in the future is designated, as a member of the Issuer pursuant to the Joint Exercise Agreement.

“Moody’s” means Moody’s Investors Service, Inc., or any successor thereto maintaining a rating on the Series 2021 Bonds.

“Obligated Group Members” has the meaning given such term in the Master Indenture.

“Obligated Group Representative” means (i) the Corporation and (ii) any surviving, resulting or transferee corporation.

“Opinion of Bond Counsel” means an opinion in writing signed by legal counsel selected by the Corporation and acceptable to the Issuer and the Bond Trustee who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys, acceptable to the Bond Trustee, who may be counsel to the Corporation or other counsel.

“Outstanding” means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Bond Trustee under the 2021 Bond Indenture, except:

(a) Series 2021 Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Series 2021 Bonds for the payment or redemption of which cash funds (or Government Obligations to the extent permitted in Section 7.01 of the 2021 Bond Indenture) shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Series 2021 Bonds); provided that if such Series 2021 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee, shall have been filed with the Bond Trustee and provided further that prior to such payment or redemption, the Series 2021 Bonds to be paid or redeemed shall be deemed to be Outstanding for the purpose of transfers and exchanges under Section 2.05 of the 2021 Bond Indenture; and

(c) Series 2021 Bonds in lieu of which other Series 2021 Bonds have been authenticated under Section 2.06 of the 2021 Bond Indenture.

“Parity Debt Service Reserve Fund” means the Debt Service Reserve Fund created in Section 3.06 of the Master Indenture.

“Paying Agent” means any bank or trust company, including the Bond Trustee, designated pursuant to the 2021 Bond Indenture to serve as a paying agency or place of payment for the Series 2021 Bonds, and any successor designated pursuant to the 2021 Bond Indenture.

“Payment Office” with respect to the Bond Trustee or other Paying Agent means the office maintained by the Bond Trustee or any affiliate of the Bond Trustee or of another Paying Agent for the payment of interest and principal on the Series 2021 Bonds.

“Permitted Encumbrances” has the meaning assigned to such term in the Master Indenture.

“Permitted Investments” has the meaning assigned to such term in the Master Indenture.

“Person” means an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“Plans and Specifications” means the plans and specifications for the 2021 Project prepared by an Architect.

“Principal Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2021 Bond Indenture.

“Project Fund” means the Project Fund created under Section 3.06 of the 2021 Bond Indenture.

“Rating Agency” means Fitch, Inc., Moody’s or Standard & Poor’s, and any successor thereto.

“Rebate Fund” means that special fund established in the name of the Issuer with the Bond Trustee pursuant to Section 3.15 of the 2021 Bond Indenture.

“Registered Owner” or “Owners” means the person or persons in whose name or names a Bond shall be registered on books of the Issuer kept by the Bond Trustee for that purpose in accordance with the terms of the 2021 Bond Indenture.

“Regular Record Date” means for the Series 2021 Bonds the fifteenth (15th) day of the month preceding each regularly scheduled interest payment date therefor.

“Regulations” means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reserve Account” means, individually or collectively, as applicable, the Series 2021B-1 Account, the Series 2021B-2 Account and the Series 2021C Account within the 2021B-C Debt Service Reserve Fund created pursuant to Section 3.08 of the Bond Indenture.

“Reserved Rights” means all of the rights of the Issuer under Sections 11.02 and 11.03 of the 2021 Bond Indenture, Sections 7.5 and 7.9 hereof and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Issuer’s rights thereunder and under this Agreement to (i) inspect books and records; (ii) give or receive notices, approvals, consents, requests, and other communications; (iii) receive payment or reimbursement for expenses, including, without limitation, “Administration Expenses” as defined in this 2021 Agreement and the Issuer’s Annual Fee; (iv) immunity from and limitation of liability; (v) indemnification by the Corporation or any other Person; and (vi) further, to enforce, in its own name and on its own behalf, those provisions hereof and of the 2021 Bond Indenture and any other document, instrument or agreement entered into with respect to the Series 2021 Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Issuer or any Issuer Indemnified Person. For avoidance of doubt, the “Reserved Rights” referenced in clauses (iv), (v), and (vi), above, shall be interpreted broadly to encompass (but not be limited to) the rights of the Issuer Indemnified Persons to immunity from and limitation of liability and indemnification by the Corporation as provided herein and the right of any such Issuer Indemnified Person to enforce such rights in his, her or its own name.

“Responsible Officer” when used with respect to the Bond Trustee means an officer in the Corporate Trust Department of the Bond Trustee having direct responsibility for administration of the 2021 Bond Indenture.

“Securities Depository” means The Depository Trust Company, New York, New York, and any successor thereto as permitted by the 2021 Bond Indenture.

“Series 2021 Bonds” means the Series 2021A Bonds, the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds.

“Series 2021 Obligations” means the Series 2021A Obligation and the Series 2021B-C Obligation.

“Series 2021A Bonds” means the Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A, in the aggregate principal amount of \$[2021A Amount] issued pursuant to the 2021 Bond Indenture.

“Series 2021A Obligation” means the Series 2021A Obligation of the Corporation, dated the Closing Date, in the principal amount of \$[2021A Amount], payable to the Bond Trustee and issued under Supplement Number 5.

“Series 2021B-1 Bonds” means the Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1, in the aggregate principal amount of \$[2021B-1 Amount] issued pursuant to the 2021 Bond Indenture.

“Series 2021B-2 Bonds” means the Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2, in the aggregate principal amount of \$[2021B-2 Amount] issued pursuant to the 2021 Bond Indenture.

“Series 2021B-C Obligation” means the Series 2021B-C Obligation of the Corporation, dated the Closing Date, in the principal amount of \$ _____, payable to the Bond Trustee and issued under Supplement Number 5.

“Series 2021C Bonds” means the Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] issued pursuant to the 2021 Bond Indenture.

“Special Record Date” means a special date fixed to determine the names and addresses of Owners of the Series 2021 Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 of the 2021 Bond Indenture.

“Sponsor” means the National League of Cities, the National Association of Counties, the Wisconsin Counties Association, the League of Wisconsin Municipalities, and any other Person that holds itself out, or is identified by the Issuer, as an organization sponsoring the Issuer.

“Standard & Poor’s” means S&P Global Ratings, Standard & Poor’s Financial Services, LLC business, or any successor thereto maintaining a rating on the Series 2021 Bonds.

“State” means the State of Wisconsin.

“Supplement Number 1” means Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 2” means Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 3” means Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 4” means Supplemental Indenture Number 4, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 5” means Supplemental Indenture Number 5, dated as of October 1, 2021, between the Obligated Group Representative and the Master Trustee.

“Tax Agreement” means the Tax Certificate and Agreement dated the date of issuance of the Series 2021 Bonds, executed by the Issuer and the Corporation.

“Tax Exempt Bonds” means the Series 2021A Bonds, the Series 2021B-1 Bonds and the Series 2021B-2 Bonds.

“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, or corresponding provisions of federal income tax laws from time to time in effect.

“Trust Estate” means the property pledged and assigned to the Bond Trustee pursuant to the granting clauses of the 2021 Bond Indenture.

“Trustee Indemnified Persons” means and the Bond Trustee and its officers, directors, employees and agents.

“Underwriter” means Herbert J. Sims & Co., Inc., as the underwriter of the Series 2021 Bonds.

[End of Article I]

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer represents that:

The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) **Organization and Authority.** The Issuer is a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and validly existing under the laws of the State; and has full power and authority under the Act to adopt the Certified Resolution approving the Bonds and the Bond Documents; to enter into, perform its obligations under, and exercise its rights under the Bond Documents to which it is a party; and when executed and delivered by the respective parties thereto, the Bond Documents to which the Issuer is a party will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against joint powers commissions or governmental units of the State.

(b) **Official Action.** By official action of the Issuer prior to or concurrently herewith, the Issuer has authorized and approved the execution and delivery of the Bond Documents to which the Issuer is a party and the consummation by the Issuer of the transactions contemplated thereby.

(c) **Litigation.** To the knowledge of the Issuer, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Issuer seeking to restrain or enjoin the sale or issuance of the Series 2021 Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Bond Documents to which the Issuer is a party or contesting in any way the existence of the powers of the Issuer relating to the authorization, issuance and sale of the Bonds.

(d) **Execution and Delivery of the Bonds.** The execution and delivery by the Issuer of the Bond Documents to which the Issuer is a party and compliance with the provisions on the Issuer’s part contained therein will neither (i) conflict with nor constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Bond Documents to which the Issuer is a party.

No Issuer Indemnified Person (including any Issuer Indemnified Person who executes any certificate in connection with the Series 2021 Bonds that restates or certifies as to the truth and

accuracy thereof) shall be individually liable for the breach by the Issuer of any representation or covenant contained in the document.

(e) **Governmental Consents.** No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any Wisconsin or federal governmental authority on the part of the Issuer is required in connection with the execution, delivery, and performance of the Bond Documents to which it is a party or the consummation of any transaction therein contemplated except as have been obtained or made and as are in full force and effect, except that no such representation is made with respect to any securities or “blue sky” filings in any state or with respect to the recording of any real estate documents or the filing of financing statements.

(f) **No Prior Pledge.** Neither the Bond Documents nor any payments to be received by the Issuer under the Bond Documents has been mortgaged, pledged, or hypothecated by the Issuer in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as security for the payment of the Bonds.

Section 2.2 Representations by the Corporation. The Corporation represents and warrants to the Issuer that, as of the date of execution of this 2021 Agreement and as of the date of delivery of the Series 2021 Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Series 2021 Bonds or any investigations by or on behalf of the Issuer or the results thereof):

(a) The Corporation is a nonprofit corporation duly incorporated and in good standing under the laws of the State of Georgia, is qualified to conduct business in the State of North Carolina, has full legal right, power and authority to enter into this 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations, and to carry out and consummate all transactions contemplated hereby and by the 2021 Bond Indenture, Supplement Number 5, the Series 2021 Obligations, the Master Indenture and the Deed of Trust, and by proper corporate action has duly authorized the execution, delivery and performance of this 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations.

(b) The officers of the Corporation executing this 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations are duly and properly in office and fully authorized to execute the same.

(c) This 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations have been duly authorized, executed and delivered by the Corporation.

(d) This 2021 Agreement and the Series 2021 Obligations, when assigned to the Bond Trustee pursuant to the 2021 Bond Indenture, will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation, including, without limitation, by the Bond Trustee in accordance with their terms for the benefit of the Beneficial Owners of the Series 2021 Bonds, and any rights of the Issuer and Issuer Indemnified Persons and obligations of the Corporation not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Corporation enforceable against the Corporation by the Issuer (a) in its own right or (b) in the case of the rights of any Issuer Indemnified Person (including, without limitation, the right of any Issuer Indemnified Person to indemnification and immunity from liability), by such Issuer Indemnified Person in his, her, or its own right in accordance with their respective terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the

enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations, the consummation of the transactions herein and therein and contemplated by the 2021 Bond Indenture, the Master Indenture and the Deed of Trust, and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Corporation, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of this 2021 Agreement, Supplement Number 5, and the Series 2021 Obligations, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this 2021 Agreement, the 2021 Bond Indenture, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, and the Deed of Trust, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation. All tax returns (federal, state and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(h) No written information, exhibit or report furnished to the Issuer by the Corporation in its application for financing or by the Corporation or its representatives in connection with the

negotiation of this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, the Deed of Trust or the other Bond Documents, regardless of whether Issuer is a party thereto (including, without limitation, any financial statements, whether audited or unaudited, and any other financial information provided in connection therewith) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) As of the date of this 2021 Agreement, (i) the Corporation is a Tax Exempt Organization, for federal income tax purposes, (ii) the Corporation has received a determination letter from the Internal Revenue Service to the effect that it is a Tax Exempt Organization, (iii) the Corporation is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax Exempt Organization has not been adversely modified, limited, or revoked, (v) the facts and circumstances which formed the basis for the status of the Corporation, as represented to the Internal Revenue Service in the Corporation's application for a determination letter, either substantially exist for the Corporation or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code and (vi) the financing, ownership and operation of the 2021 Project as contemplated by the 2021 Bond Indenture and this 2021 Agreement does not adversely affect the status of the Corporation as a Tax Exempt Organization.

(j) The Corporation has good and marketable title to the 2021 Project free and clear from all encumbrances other than the Existing Liens.

(k) The Corporation complies and covenants to comply in all material respects with all applicable Environmental Regulations.

(l) Neither the Corporation nor the 2021 Project are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Corporation does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(n) The representations, warranties and covenants of the Corporation set forth in the Tax Agreement are incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

[End of Article II]

**ARTICLE III
TERM OF AGREEMENT**

Section 3.1 Term of this 2021 Agreement. Subject to Section 11.14 herein, this 2021 Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the Series 2021 Bonds shall have been fully paid or provision made for such payment pursuant to the 2021 Bond Indenture and all reasonable and necessary fees and expenses of the Bond Trustee and all fees and expenses of the Issuer accrued and to accrue through final payment of the Series 2021 Bonds and all liabilities of the Corporation with respect to the Series 2021 Bonds accrued and to accrue through final payment of the Series 2021 Bonds have been paid.

[End of Article III]

**ARTICLE IV
ISSUANCE OF THE SERIES 2021 BONDS;
UNDERTAKING THE 2021 PROJECT; DISBURSEMENTS**

Section 4.1 Agreement to Issue Bonds. In order to provide funds to pay Costs of the 2021 Project, pay Costs of Issuance and fund reserves, the Issuer agrees that it will issue, sell and deliver to the Underwriter, the Series 2021 Bonds in the aggregate principal amount of \$[Amount] and will cause the proceeds thereof to be delivered to the Bond Trustee for disposal in accordance with Section 3.01 of the 2021 Bond Indenture and the request and authorization to the Bond Trustee described in Section 2.07(d) of the 2021 Bond Indenture.

Section 4.2 Agreement to Construct the 2021 Project; Completion Certificate. (a) The Corporation shall cause the 2021 Project to be acquired, constructed, and improved with due diligence and pursuant to the requirements of the applicable laws of the State and of the State of North Carolina in all material respects. The Corporation shall cause the 2021 Project to be constructed in accordance with the Project Budget and Construction Schedule described in the Disbursement Agreement.

(b) The Corporation shall deliver to the Bond Trustee within 90 days after the final completion or termination of the 2021 Project a certificate (the "Completion Certificate") to the effect that:

(i) the 2021 Project has been completed substantially in accordance with the Plans and Specifications, as then amended, and the date of completion;

(ii) the Cost of the 2021 Project has been fully paid for and no claim or claims exist against the Corporation or against the 2021 Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Corporation intends to contest such claim or claims in accordance with this 2021 Agreement (and provided that enforcement of the lien is stayed pending such contest), in which event such claim or claims shall be described; provided, further, that it shall be stated that moneys are on deposit in the Project Fund sufficient to make payment of the full amount that might in any event be payable in order to satisfy such claim or claims; provided, further, that there may also be excepted from the foregoing statement any claim that has been insured over pursuant to an endorsement to any title insurance; and

(iii) all permits, certificates and licenses necessary for the occupancy and use of the 2021 Project have been obtained and are in full force and effect.

Section 4.3 Cost of Construction. The Corporation represents and warrants that it will use its best efforts to construct or cause the construction of the 2021 Project at a price which will permit completion of the 2021 Project within the amount of the funds to be deposited in the Project Fund and within the amount of other available funds of the Corporation and otherwise in accordance with the Project Budget. If at any time Construction Monitor determines that the remaining funds available in the Project Fund are less than the remaining costs to complete the 2021 Project, then (i) within thirty (30) days thereafter, the Corporation shall deposit in the Project Fund such additional funds as are required to pay for the deficiency, and (ii) no further disbursements shall be made from the Project Fund until the Construction Monitor has determined that the remaining funds in the Project Fund are sufficient to complete the 2021 Project. The Corporation will not permit any mechanics or material's or other liens to be filed or remain against any improvements for labor or materials furnished in connection with the 2021 Project, provided it will not constitute an Event of Default hereunder if the Corporation promptly notifies the Bond Trustee and Master Trustee of any such liens and the Corporation in good faith contests such liens in accordance with Section 4.7 hereof; and in

such event the Corporation may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, subject to the requirements of Section 4.7 hereof.

Section 4.4 Modification of the 2021 Project. The Corporation hereby covenants and agrees that no changes or modifications, or substitutions, deletions, or additions shall be made with respect to the 2021 Project if such change disqualifies the 2021 Project under the Act, the Joint Exercise Agreement or under the organizing documents of the Issuer.

Section 4.5 Compliance with Regulatory Requirements. The Corporation agrees that the 2021 Project shall be constructed strictly in accordance with all applicable ordinances and statutes, and in accordance with the requirements of all regulatory authorities in all material respects, and any rating or inspection organization, bureau, association, or office having jurisdiction, and it will furnish to the Issuer all information necessary for the Issuer to comply with all of the foregoing and all laws, regulations, orders and other governmental requirements.

Section 4.6 Requests for Disbursements.

(a) Each payment from the Cost of Issuance Fund or the Project Fund will be made by the Bond Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Corporation, to the payee shown on the hereinafter described request for disbursement forms, upon receipt by the Bond Trustee of an application for payment in compliance with the requirements of this Section, and the Bond Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Corporation hereby covenants and agrees to indemnify and save harmless the Issuer and the Bond Trustee and their respective officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment. The Corporation covenants and agrees that, upon the request of the Bond Trustee from time to time, it will furnish the Bond Trustee with evidence reasonably satisfactory to the Bond Trustee showing (i) the value of the construction existing at that time, and (ii) that there are no liens outstanding or unpaid prior to the Deed of Trust other than Permitted Encumbrances; provided nothing herein shall be deemed to obligate the Bond Trustee to make any such request.

(b) The Corporation shall be entitled to disbursement of moneys in the Cost of Issuance Fund to pay the Costs of Issuance and to reimburse itself for Costs of Issuance paid by the Corporation, upon presentation to the Bond Trustee of a request for disbursement signed by the Corporation and delivered as hereinafter described. The Corporation shall request disbursements from the Cost of Issuance Fund using the form attached hereto as Exhibit B, but in no event shall such a request be made more often than four times per month. The Corporation shall make no request for disbursement of moneys from the Project Fund for payment of Costs of Issuance.

(c) The Corporation shall be entitled to disbursements of moneys in the Project Fund to pay Costs of the 2021 Project and to reimburse itself for Costs of the 2021 Project paid by the Corporation. Requests for disbursements by the Corporation are to be made to the Bond Trustee in accordance with the Disbursement Agreement. The Corporation shall comply with all the requirements of the Disbursement Agreement, which requirements are incorporated herein by reference. The Corporation's representations and warranties set forth in the Disbursement Agreement are incorporated herein by reference.

(d) The Bond Trustee will not make any disbursements from the Project Fund unless at the time of each disbursement, (i) the Bond Trustee must not have or be deemed to have notice of an Event of Default and (ii) at the time each disbursement is made pursuant to this Section 4.6

as a reimbursement to the Corporation, the Corporation must deliver to the Bond Trustee a written certification confirming the contemporaneous or prior payment by the Corporation to a vendor or supplier then and theretofore approved for payment.

Section 4.7 Contest of Liens. Section 4.3 of this 2021 Agreement permits the Corporation to contest certain liens. In order to contest any such liens, the Corporation will furnish the Bond Trustee with a bond or cash deposit equal to at least the amount so contested and with an Opinion of Counsel reasonably acceptable to the Bond Trustee stating that by nonpayment of any such items the lien of the Deed of Trust will not be materially endangered and neither the 2021 Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Bond Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit will be returned to the Corporation if the lien is successfully contested. If the Corporation is unable or otherwise fails to obtain such a bond or provide such a cash deposit and such an Opinion of Counsel, the Corporation will cause to be satisfied and discharged promptly all such items by payment thereof. If the Corporation is unable or otherwise fails to obtain such a bond or cash deposit and an Opinion of Counsel, or to satisfy and discharge the lien within twenty (20) days after the filing thereof, the Issuer or the Bond Trustee may, but will be under no obligation to, satisfy and discharge the lien by payment thereof or provide security which causes the claimant to release the lien against the 2021 Project, and all amounts so paid by the Issuer or the Bond Trustee will be treated as an advance to the Corporation repayable in accordance with Section 9.02 of the 2021 Bond Indenture.

Section 4.8 Modification of Disbursements. The making of any disbursement or any part of a disbursement from the Project Fund shall not be deemed an approval or acceptance by the Bond Trustee of the work theretofore done. At the request of the Majority Bondholder, the Bond Trustee may deduct from any disbursement to be made under this 2021 Agreement any amount necessary for the payment of fees and expenses required to be paid under this 2021 Agreement and any insurance premiums, taxes, assessments, water rates, sewer rents and other charges, liens and encumbrances upon the 2021 Project, whether before or after the making of this 2021 Agreement, and any amounts necessary for the discharge of mechanic's liens, and apply such amounts in payment of such fees, expenses, premiums, taxes, assessments, charges, liens and encumbrances. All such sums so applied shall be deemed disbursements under this 2021 Agreement.

Section 4.9 Covenants Regarding Tax Exemption. The representations, warranties, and covenants of the Corporation and the Issuer set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

Section 4.10 Allocation of, and Limitation on, Expenditures from Tax Exempt Bond Proceeds. The Corporation covenants to account for the expenditure of sale proceeds and investment earnings of the Tax Exempt Bonds to be used for the Cost of the 2021 Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the 2021 Project is completed. The foregoing notwithstanding, the Corporation shall not expend sale proceeds or investment earnings thereon more than sixty (60) days after the earlier of (1) the third (3rd) anniversary of the Closing Date, or (2) the date the Tax Exempt Bonds are retired, unless the Corporation obtains an opinion of Bond Counsel that such expenditure will not adversely affect the tax exempt status of the Tax Exempt Bonds. For purposes hereof, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of Bond Counsel that such failure to comply will not adversely affect the excludability of interest on the Tax Exempt Bonds.

Section 4.11 Representations and Warranties as to Tax Exempt Status of Corporation. The Corporation hereby represents and warrants as follows:

(a) the Corporation is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(b) the purposes, character, activities and methods of operation of the Corporation have not changed materially since its organization and are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code (the "Determination");

(c) the Corporation has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized or disclosed to the Internal Revenue Service in connection with its Determination;

(d) the Corporation has not operated since its organization in a manner that would result in it being classified as an "action" organization within the meaning of section 1.501(c)(3)-1(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(e) with the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Corporation, no person controlled by any such individual or individuals nor any person having a personal or private interest in the activities of the Corporation has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Corporation during the current Fiscal Year and the period, if any, preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the Corporation;

(f) the Corporation will not be treated as a "private foundation" within the meaning of Section 509(a) of the Code or will be treated during any transition period as an "operating foundation" under Section 4943(j)(3) of the Code, which will exempt the Corporation from the tax on undistributed income;

(g) the Corporation has not received any indication or notice whatsoever to the effect that its exemption under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(h) the Corporation has filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has notified the Internal Revenue Service of any changes in its organization and operation since the date of its Determination;

(i) the Corporation has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and

(j) the Corporation has not taken any action, nor does it know of any action that any other person has taken, nor does it know of the existence of any condition, which would cause the Corporation to lose its exemption from taxation under Section 501(a) of the Code or cause the

interest on the Tax Exempt Bonds to become taxable to the recipient thereof because such interest is not excludable from the gross income of such recipient for federal income tax purposes under Section 103(a) of the Code.

Section 4.12 Disposition of Project. The Corporation covenants that the property constituting the 2021 Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation obtains an Opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax exempt status of the Tax Exempt Bonds.

Section 4.13 Corporation to Pay Costs of the 2021 Project if Project Fund Insufficient. If the moneys in the Project Fund available for payment of the Costs of the 2021 Project are not sufficient to pay the costs thereof in full, the Corporation agrees to complete the 2021 Project and to pay all that portion of Costs of the 2021 Project as may be in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions of this 2021 Agreement, will be available for payment of the Costs of the 2021 Project, will be sufficient to pay all the costs which will be incurred in that connection. The Corporation agrees that if after exhaustion of the moneys in the Project Fund, the Corporation will pay any portion of the said Costs of the 2021 Project pursuant to the provisions of this Section, it will not be entitled to any reimbursement therefor from the Issuer or from the Bond Trustee or from the Beneficial Owners of any of the Series 2021 Bonds, nor will it be entitled to any diminution of the loan payments payable under the Series 2021 Obligations. The obligation of the Corporation to complete the 2021 Project will survive any termination of this 2021 Agreement.

[End of Article IV]

ARTICLE V
LOAN OF BOND PROCEEDS; SERIES 2021 OBLIGATIONS;
PROVISION FOR PAYMENT

Section 5.1 Loan of Bond Proceeds. The Issuer hereby agrees to lend to the Corporation the proceeds of the Series 2021 Bonds to provide financing for, among other things, the Costs of the 2021 Project. The Corporation hereby agrees to repay the loan pursuant to the conditions set forth in Section 5.2 hereof.

Section 5.2 Repayment of Loan. The Corporation agrees to pay to the Bond Trustee for the account of the Issuer all payments when due on the Series 2021 Obligations. If for any reason the amounts paid to the Bond Trustee by the Corporation on the Series 2021 Obligations, together with any other amounts available in the Bond Fund, are not sufficient to pay principal of, premium, if any, and interest on the Series 2021 Bonds when due, the Corporation agrees to pay the amount required to make up such deficiency.

The Corporation agrees to pay or cause to be paid to the Bond Trustee the following amounts at the following times:

(1) on or before the fifth (5th) Business Day prior to the end of each month, the amount which, together with other available funds in the Interest Account, is necessary to provide, in equal monthly installments, funds for the payment of interest on the Series 2021 Bonds becoming due on the immediately succeeding Interest Payment Date;

(2) on or before the fifth (5th) Business Day prior to the end of each month, commencing with June 20__, the amount which, together with other available funds in the Principal Account, is necessary to provide, in twelve (12) equal monthly installments, funds for the payment of the principal of the Series 2021 Bonds becoming due on the immediately succeeding principal maturity or sinking fund redemption date; and

(3) on or before the fifth (5th) Business Day prior to each date fixed for the redemption of Bonds (other than a scheduled mandatory redemption date, for which payments are required pursuant to paragraph (2) above), an amount equal to the redemption price of the Series 2021 Bonds to be redeemed on such date.

Section 5.3 Credits. Any amount in any account of the Bond Fund at the close of business of the Bond Trustee on the fifteenth (15th) day immediately preceding any payment date on the Series 2021 Obligations in excess of the aggregate amount then required to be contained in such account of the Bond Fund pursuant to Section 5.2 hereof shall be credited against the payments due by the Corporation on such next succeeding principal or interest payment date on the Series 2021 Obligations.

In the event that all of the Series 2021 Bonds then Outstanding are called for redemption, any amounts contained in (a) the "Series 2021A Account" in the Parity Debt Service Reserve Fund, subject to Section 3.06 of the Master Indenture, (b) the 2021B-C Debt Service Reserve Fund and (c) the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding such redemption date shall be credited against the payments due by the Corporation on the Series 2021 Obligations, as provided below.

The principal amount of any Series 2021 Bonds to be applied by the Bond Trustee as a credit against any sinking fund payment pursuant to Section 5.02 of the 2021 Bond Indenture shall be credited against the obligation of the Corporation with respect to payment of installments of principal of the Series 2021 Obligations as described in Supplement Number 5.

The cancellation by the Bond Trustee of any Series 2021 Bonds purchased by the Corporation or of any Series 2021 Bonds redeemed or purchased by the Issuer through funds other than funds received on the corresponding Series 2021 Obligations shall constitute payment of a principal amount of the Series 2021 Obligations equal to the principal amount of the Series 2021 Bonds so cancelled. Upon receipt of written notice from the Bond Trustee of such cancellation, the Master Trustee shall at the request of the Corporation endorse on the Series 2021 Obligations such payment of such principal amount thereof.

Section 5.4 Series 2021 Obligations. Concurrently with the sale and delivery by the Issuer of the Series 2021 Bonds, the Corporation shall execute and deliver the Series 2021 Obligations substantially in the form set forth in Supplement Number 5.

Section 5.5 Payment of Bond Trustee's and Paying Agent's Fees and Expenses. The Corporation agrees to pay the reasonable and necessary fees and expenses (including attorney's fees) of the Bond Trustee and any Paying Agents as and when the same become due, upon submission by the Bond Trustee or any Paying Agent of a statement therefor.

Section 5.6 2021B-C Debt Service Reserve Fund.

(a) In the event any moneys in the 2021B-C Debt Service Reserve Fund are transferred to the Bond Trustee for deposit to the Bond Fund pursuant to Section 3.05 and Section 3.10 of the Bond Indenture, except if such moneys are transferred due to the redemption of 2021B-C Bonds, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the 2021B-C Debt Service Reserve Fund Requirement, such amount to be deposited in no more than six (6) equal consecutive monthly installments, the first installment to be made the month following such transfer.

(b) In the event the value of the Debt Service Reserve Fund Obligations (as determined pursuant to the statement of the Bond Trustee furnished in accordance with Section 6.03 of the Bond Indenture) on deposit in the 2021B-C Debt Service Reserve Fund is less than the 2021B-C Debt Service Reserve Fund Requirement, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the 2021B-C Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Bond Trustee of a deficiency.

Section 5.7 Payment of Administration Expenses. In addition to the payments on the loan from the Issuer, the Corporation shall also pay to the Issuer or to the Bond Trustee, as the case may be, "Administration Expenses," as follows:

(a) All taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer or the Bond Trustee, at the Corporation's expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the 2021 Bond Indenture and all amounts referred to in Section 3.12 of the 2021 Bond Indenture, as and when the same become due and payable;

(c) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee, in connection with the performance of its duties hereunder or under the 2021 Bond Indenture, to prepare audits, financial statements, reports, opinions or provide such other services required under this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations or the 2021 Bond Indenture, including, but not limited to, any audit or inquiry by the Internal Revenue Service or any other governmental body; and

(d) The Issuer's Annual Fee and the fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, the Series 2021 Bonds or the 2021 Bond Indenture, including, without limitation, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any such Series 2021 Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this 2021 Agreement, the Master Indenture, Supplement Number 5, the Series 2021 Obligations, the Series 2021 Bonds or the 2021 Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of this 2021 Agreement, the Master Indenture, Supplement Number 5 and the Series 2021 Obligations.

Such Administration Expenses shall be billed to the Corporation by the Issuer or the Bond Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Bond Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after receipt of the bill by the Corporation. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Corporation for payment of the Issuer's Annual Fee under the 2021 Bond Indenture. The Issuer's Annual Fee shall be calculated and paid in semiannual installments on the six (6) month anniversary of the Closing Date and subsequently on the same day every sixth (6th) month thereafter. The amount of each semiannual payment shall be determined by multiplying (i) the principal amount of the Series 2021 Bonds Outstanding as of the last day of the calendar month preceding the installment payment due date by (ii) 0.03 percent (3 basis points) by (iii) one-half (1/2). The Corporation shall notify the Bond Trustee it is paying the Issuer's Annual Fee and upon receipt the Bond Trustee shall deposit such annual fee payment to the Administrative Cost Fund established by Section 3.16 of the 2021 Bond Indenture. Any invoice furnished to the Corporation by the Issuer or the Bond Trustee pursuant to this Section 5.7 shall be deemed to constitute a written notice under Section 9.1 sufficient to cause the 60-day period specified in said Section 9.1 to commence.

Section 5.8 [Intentionally Omitted].

Section 5.9 Payees of Payments. The payments on the Series 2021 Obligations pursuant to Section 5.2 hereof shall be paid in funds immediately available at the Payment Office of the Bond Trustee, directly to the Bond Trustee for the account of the Issuer and shall be deposited into the appropriate account of the Bond Fund. The payments to be made to the Bond Trustee and the Paying Agent under Section 5.5 hereof shall be paid directly to the Bond Trustee and the Paying Agent for their own use. The payments provided for in Section 5.6 hereof shall be paid to the Bond Trustee for the account of the Issuer and shall be deposited into the 2021B-C Debt Service Reserve Fund. The payments for Administration Expenses under Section 5.7 hereof shall be paid directly to the Issuer for its own use.

Section 5.10 Obligations of Corporation Hereunder Unconditional. The obligations of the Corporation to make the payments required in Section 5.2 hereof shall be absolute and unconditional. The Corporation will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.2 hereof for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the 2021 Project, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Wisconsin or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this 2021 Agreement, whether express or implied. Subject to Section 11.12 hereof, nothing contained in this Section shall be construed to release the Issuer from the performance of any agreements on its part herein contained; and in the event the Issuer shall fail to perform any such agreement, the Corporation may institute such action against the Issuer as the Corporation may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the Corporation contained herein and the Issuer shall not be required to pay any costs, expenses, damages or any amounts of whatever nature except for amounts received pursuant to this 2021 Agreement. Subject to Section 11.12 hereof, nothing herein shall be construed to impair the Corporation's right to institute an independent action for any claim that it may have against the Issuer, the Bond Trustee, any Bondholder or any other third party. The Corporation may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect this right of possession, occupancy, and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Corporation.

Section 5.11 Closing Expenses. In addition to and without in any way limiting the Corporation's obligations to pay and indemnify the Issuer and the Issuer Indemnified Persons against fees, costs and charges arising out of or in connection with this 2021 Agreement, the Bond Documents, the Series 2021 Bonds or the 2021 Bond Indenture, the Corporation shall pay, upon the closing of the issuance of the Series 2021 Bonds and as a condition thereto: (i) to the Issuer, the Issuer's issuance fee of \$40,000 plus 0.05% of the par amount of the Series 2021 Bonds in excess of \$20 million (less, if applicable, any application fee heretofore paid by the Corporation to Issuer); and (ii) attorney's fees of \$[] incurred by the Issuer in connection with the issuance of the Series 2021 Bonds.

[End of Article V]

**ARTICLE VI
MAINTENANCE AND INSURANCE**

Section 6.1 Maintenance and Modifications of 2021 Project by Corporation. The Corporation may, at its own expense, cause to be made from time to time any additions, modifications or improvements to the 2021 Project provided such additions, modifications or improvements do not impair the character of the 2021 Project as a “project” within the meaning of the Act or impair the extent of the exclusion of interest on the Tax Exempt Bonds from federal income taxation.

Section 6.2 Insurance. Throughout the term of this 2021 Agreement, the Corporation will, at its own expense, provide or cause to be provided insurance against loss or damage to the 2021 Project in accordance with the terms of the Master Indenture.

[End of Article VI]

**ARTICLE VII
SPECIAL COVENANTS**

Section 7.1 No Warranty of Merchantability, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the 2021 Project or that the 2021 Project will be suitable for the Corporation’s purposes or needs. Without limiting the effect of the preceding sentence, it is expressly agreed that in connection with each sale or conveyance pursuant to this 2021 Agreement (i) the Issuer makes NO WARRANTY OF MERCHANTABILITY and (ii) THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

Section 7.2 Right of Access to the 2021 Project. The Corporation agrees that the Issuer, the Bond Trustee, and any of their duly authorized agents shall have the right at all reasonable times upon reasonable notice to the Corporation to examine and inspect the Series 2021 Project to determine that the Corporation is in compliance with the terms and conditions of this 2021 Agreement; provided that any such inspection will be conducted in a manner that will minimize any intrusion on the operations of the 2021 Project.

Section 7.3 Nonsectarian Use. The Corporation agrees that no proceeds of the Series 2021 Bonds will be used for facilities intended to be used or which are being used for sectarian purposes.

Section 7.4 Further Assurances. The Issuer and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this 2021 Agreement.

Section 7.5 Indemnification. To the fullest extent permitted by law, the Corporation hereby fully, forever and irrevocably releases from, and jointly and severally agrees to indemnify, hold harmless and defend each Indemnified Person against any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Persons, or any of them, may become subject under or any statutory law or regulation (including, without limitation, federal or state securities laws and regulations and federal tax laws or regulations) or at common law or otherwise (collectively, “Liabilities”), arising out of or based upon or in any way relating to:

- (a) the Series 2021 Bonds, the 2021 Bond Indenture, this 2021 Agreement, the Series 2021 Obligations or any other of the Bond Documents or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Series 2021 Bonds;
- (b) the performance or observance by or on behalf of the Issuer or the Bond Trustee of those things on the part of the Issuer or the Bond Trustee agreed to be performed or observed hereunder and under the 2021 Bond Indenture and the Tax Agreement;
- (c) any act or omission of the Corporation or any of its affiliates or affiliated persons, agents, contractors, servants, employees, tenants or licensees in connection with the 2021 Project, the operation of the 2021 Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from undertaking the planning, design, acquisition, installation or construction of, the 2021 Project or any part thereof;

(d) any lien or charge upon payments by the Corporation to the Issuer or the Bond Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Bond Trustee in respect of any portion of the 2021 Project;

(e) any violation of any Environmental Laws with respect to, or the release of any Hazardous Substances from, the 2021 Project or any part thereof;

(f) the defeasance and/or redemption, in whole or in part, of the Series 2021 Bonds;

(g) except for any information provided by the Issuer in the sections titled "THE ISSUER" and "LITIGATION – The Issuer," any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Series 2021 Bonds or any of the documents relating to the Series 2021 Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Series 2021 Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(h) any declaration of taxability of interest on the Tax-Exempt Bonds, or allegations that interest on the Tax-Exempt Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Tax-Exempt Bonds is taxable;

(i) the Bond Trustee's acceptance or administration of the trust of the 2021 Bond Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the Bond Documents;

(j) any injury to or death of any Person or damage to property in or upon the 2021 Project or growing out of or connected with the use, nonuse, condition or occupancy of the 2021 Project;

except (A) in the case of the foregoing indemnification of the Bond Trustee Indemnified Persons, to the extent such Liabilities are caused by the negligence or willful misconduct of such Trustee Indemnified Person; or (B) in the case of the foregoing indemnification of the Issuer and the Issuer Indemnified Persons, to the extent such Liabilities are caused by the willful misconduct of the Person seeking indemnification.

THE CORPORATION EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS SHALL BE RELEASED FROM AND INDEMNIFIED HEREUNDER AGAINST ANY AND ALL LIABILITIES ARISING FROM THE ISSUER'S OR ANY ISSUER INDEMNIFIED PERSON'S OWN NEGLIGENCE OF ANY KIND, DESCRIPTION OR DEGREE (EXPRESSLY WAIVING THE COMPARATIVE NEGLIGENCE PROVISIONS OF SECTION 895.045 OF THE WISCONSIN STATUTES AND THE STATUTORY AND COMMON LAW CONTRIBUTORY OR COMPARATIVE NEGLIGENCE LAWS OF ANY OTHER STATE OR JURISDICTION), OR BREACH OF CONTRACTUAL DUTY, WITHOUT REGARD TO OR THE NECESSITY OF ANY BREACH OR FAULT ON THE PART OF CORPORATION, EXCEPT INsofar AS AND TO THE EXTENT THAT ANY SUCH LIABILITIES ARISE FROM THE WILLFUL MISCONDUCT OF THE PERSON SEEKING INDEMNIFICATION.

In the event that any action or proceeding is brought against any Indemnified Person with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Person, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Person, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in their sole discretion; provided that the Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Person shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the fees and expenses of such separate counsel; provided, however, that such Indemnified Person may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Person a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The rights of any Persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Series 2021 Bonds and in the case of the Bond Trustee any resignation or removal. The provisions of this Section shall remain valid and in effect notwithstanding repayment of the loan hereunder or payment, redemption or defeasance of the Series 2021 Bonds or termination of this Agreement or the 2021 Bond Indenture.

Insofar as any document or instrument issued or delivered in connection with the Series 2021 Bonds (including, without limitation, the documents referred to in this Section 7.5 above) purports to constitute an undertaking by, or impose an obligation upon, the Corporation to provide indemnification to the Issuer or the Issuer Indemnified Persons, the indemnification provision or provisions of such document shall not be deemed, interpreted or construed in any way as a modification of or limitation upon the Corporation's obligations or the rights of the Issuer and the Issuer Indemnified Persons under this Section 7.5 and the provisions of this Section 7.5 shall in every respect supersede the indemnification provisions of any such other document and shall apply thereto as if fully set forth therein.

Section 7.6 Authority of Corporation. Whenever under the provisions of this 2021 Agreement the approval of the Corporation is required, or the Issuer or the Bond Trustee are required to take some action at the request of the Corporation, such approval or such request shall be made by the Corporation unless otherwise specified in this 2021 Agreement and the Issuer or the Bond Trustee shall be authorized to act on any such approval or request and the Corporation shall have no complaint against the Issuer or the Bond Trustee as a result of any action taken.

Section 7.7 Authority of Authorized Signatory. Whenever under the provisions of this 2021 Agreement the approval of the Issuer is required such approval shall be made by the Authorized Signatory unless otherwise specified in this 2021 Agreement, and the Corporation or the Bond Trustee shall be authorized to act on any such approval and the Issuer shall have no complaint against the Corporation or the Bond Trustee as a result of any such action taken.

Section 7.8 No Personal Liability. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Series 2021 Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member, the State of Wisconsin, or any other political subdivision or agency thereof or any political subdivision approving the issuance of the Series 2021 Bonds, nor the faith and credit of the Issuer is pledged to the payment of the principal of, premium, if any, or interest on the Series 2021 Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this 2021 Agreement, the Series 2021 Bonds or the 2021 Bond

Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under this 2021 Agreement, and except as may result solely from Issuer's own willful misconduct.

The Corporation hereby acknowledges that the Issuer's sole source of moneys to repay the Series 2021 Bonds is the Trust Estate and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Series 2021 Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then upon notice or demand from the Bond Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest when due, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 7.9 Fees and Expenses. The Corporation agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Issuer in connection with the Series 2021 Bonds, including without limitation, (i) all fees required to be paid to the Issuer with respect to the Series 2021 Bonds, including its issuance fee of \$[] on the Closing Date, (ii) all out of pocket expenses and Costs of Issuance (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the issuance of the Series 2021 Bonds on the Closing Date and (iii) all out of pocket expenses (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the enforcement of any of its rights or remedies or the performance of its duties under the 2021 Bond Indenture or this 2021 Agreement.

Section 7.10 Prohibited Uses. No portion of the proceeds of the Series 2021 Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person that is not an organization described in Section 501(c)(3) of the Code or a Governmental Unit or by an organization described in Section 501(c)(3) of the Code (including the Corporation) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Series 2021 Bonds being treated as an obligation not described in Section 103(a) of the Code.

Section 7.11 Special Services Covenant. The Corporation shall maintain a continuing care retirement facility providing healthcare services to its residents within the territorial limits of Wake County, North Carolina, as long as any Series 2021 Bonds remain Outstanding; provided, however, the Issuer, upon review of such facts as it deems relevant, may, from time to time, allow the Corporation to provide alternative services which provide public benefit to the participants in the Issuer's program and its residents, or deem this special services covenant to be satisfied in whole or in part.

Section 7.12 Related Party Transactions. The Corporation shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Corporation's business and upon terms found by the governing body of the Corporation to be fair and reasonable and no less favorable to the Corporation than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 7.13 Continuing Disclosure. The Corporation, with the consent of the Issuer, has executed a Continuing Disclosure Certificate. While the Continuing Disclosure Certificate is in effect, the Corporation shall at all times remain party to the Continuing Disclosure Certificate, or if the Continuing Disclosure Certificate terminates, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934,

as amended. The Corporation agrees that while the Series 2021 Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Certificate. Notwithstanding any other provision of this 2021 Agreement, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be an Event of Default.

Section 7.14 Purchase of Tax-Exempt Bonds. Neither the Corporation nor any Related Person, pursuant to any arrangement, formal or informal, will purchase all of the Series 2021 Bonds, unless the Corporation or such Related Person delivers a favorable Opinion of Bond Counsel to the Bond Trustee and the Issuer.

Section 7.15 Environmental Matters. Since December 20, 2011 there have not been any violations of any of the hereinafter defined Environmental Regulations with respect to the 2021 Project. Without limitation on any other provisions hereof, the Corporation will indemnify and hold harmless the Issuer and the Bond Trustee from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act of 1976, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulations, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances) paid, incurred, suffered by or asserted against the Issuer or the Bond Trustee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, any of the Corporation: (i) the presence of any Hazardous Substances on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Substances from the 2021 Project or any part thereof, or (ii) any liens against the 2021 Project, or any part thereof, permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Corporation under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Issuer or the Bond Trustee under any Environmental Law relating to the 2021 Project. Notwithstanding any other provision of this 2021 Agreement, the covenants, indemnities and obligations provided for in this Section shall survive the payment and performance of the other obligations of the Corporation under this 2021 Agreement.

Section 7.16 Membership in Obligated Group. The Corporation hereby covenants and agrees that while the Series 2021 Bonds are Outstanding, it will remain an Obligated Group Member.

Section 7.17 Rating Solicitation Covenant. Commencing with the Fiscal Year during which Stable Occupancy (as defined in Supplement No. 5) occurs, the Corporation agrees that it will, not later than 120 days after each Fiscal Year, retain a Consultant, which may be the Underwriter, that has expertise in the senior living industry to assess the likelihood of whether the Corporation could obtain an Investment Grade Rating from a Rating Agency. Such assessment is to be delivered to the Bond Trustee. The Corporation agrees to provide to such Consultant such information as it may reasonably request in order to assist it in making such assessment. If such Consultant determines that such rating is obtainable, the Corporation agrees that it will, at the Corporation's sole expense, solicit and make a good faith effort to obtain such rating, and the Corporation is to notify the Bond Trustee if a rating has been obtained or not.

[End of Article VII]

**ARTICLE VIII
ASSIGNMENT AND LEASING**

Section 8.1 Assignment and Leasing by Corporation. This 2021 Agreement may be assigned, and all or any portion of the 2021 Project may be leased by the Corporation without the consent of either the Issuer or the Bond Trustee, but with the prior written consent of Majority Bondholders, provided that each of the following conditions is complied with:

(a) No assignment or leasing shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment or leasing the Corporation shall continue to remain primarily liable for payment of the loan payments and other payments specified in Article V hereof and for performance and observance of the other covenants and agreements contained herein; provided that if the Corporation withdraws from the Obligated Group (as defined in the Master Indenture) and is released from its obligations on the Series 2021 Obligations by the Master Trustee pursuant to the Master Indenture, the Corporation shall also be released from its liability for its obligations hereunder, including payment of the loan payments and other payments specified in Article V hereof and the performance and observance of the other covenants and agreements contained herein.

(b) The assignee or lessee shall assume in writing the obligations of the Corporation hereunder to the extent of the interest assigned or leased, provided that the provisions of this subsection shall not apply to a lease of a portion of the 2021 Project or an operating contract for the performance by others of health care or medical services on or in connection with the 2021 Project, or any part thereof.

(c) The Corporation shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Bond Trustee a true and complete copy of each such assumption of obligations and assignment or lease of the 2021 Project, as the case may be.

Section 8.2 Assignment and Pledge by Issuer. Solely pursuant to the 2021 Bond Indenture, the Issuer may assign its interest in and pledge any moneys receivable under the Series 2021 Obligations and this 2021 Agreement (except in respect of certain rights to indemnification and for Administration Expenses, indemnification and payment of attorneys' fees and expenses pursuant to Sections 5.7, 7.5 and 9.5 hereof) to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Series 2021 Bonds. The Corporation consents to such assignment and pledge.

[End of Article VIII]

**ARTICLE IX
FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR**

Section 9.1 Failure to Perform Covenants. Upon failure of the Corporation to pay when due any payment (other than failure to make any payment on any Obligation, which default shall have no grace period) required to be made under this 2021 Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, or upon breach of any representation or warranty set forth in or incorporated in this 2021 Agreement, and continuation of such failure or breach for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer or the Bond Trustee, or upon an Event of Bankruptcy, the Issuer or the Bond Trustee shall have the remedies provided in Section 9.2 hereof.

Section 9.2 Remedies for Failure to Perform. Upon the occurrence of a failure of the Corporation to perform as provided in Section 9.1 hereof or upon an event of default under any other Bond Document, the Issuer or the Bond Trustee, as assignee or successor of the Issuer, upon compliance with all applicable law, in its discretion may take any one or more of the following steps:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Corporation to carry out any agreements with or for the benefit of the Bondholders and to enforce performance and observance of any duty, obligation, agreement or covenant of the Corporation under the Act or this 2021 Agreement or any other Bond Documents; or

(b) by action or suit in equity require the Corporation to account as if it were the Bond Trustee of an express trust for the Issuer; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer; or

(d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

Section 9.3 Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Bond Trustee on account of any failure to perform under Section 9.1 shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Bond Trustee, then and in every case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had been taken.

Section 9.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this 2021 Agreement or 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 shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bond Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required in Section 9.1 hereof. Such rights and remedies given the Issuer hereunder shall also extend to the Bond Trustee and the holders of the Series 2021 Bonds, subject to the 2021 Bond Indenture.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In the event the Issuer or the Bond Trustee should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Corporation herein or in the 2021 Bond Indenture contained, the Corporation agrees that it will on demand therefor (i) pay the Bond Trustee the reasonable fee of such attorneys and such other reasonable expenses incurred by the Bond Trustee and (ii) pay the Issuer the fee of such attorneys and such other expenses incurred by the Issuer.

Section 9.6 Waivers. In the event any agreement contained in this 2021 Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this 2021 Agreement to the Bond Trustee under the 2021 Bond Indenture, the Issuer shall have no power to waive any failure to perform under Section 9.1 hereunder without the consent of the Bond Trustee (other than a failure to observe the covenants contained in Section 4.10 hereof, which may be waived by the Issuer without the consent of the Bond Trustee).

Section 9.7 No Obligation to Enforce Reserved Rights. Notwithstanding anything to the contrary in this 2021 Agreement or the 2021 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2021 Agreement or the 2021 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2021 Agreement or the 2021 Bond Indenture, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under this 2021 Agreement and the 2021 Bond Indenture.

Section 9.8 Non-Impairment of Reserved Rights. Nothing in this 2021 Agreement shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article IX]

ARTICLE X PREPAYMENT OF SERIES 2021 OBLIGATIONS

Section 10.1 General Option to Prepay Series 2021 Obligations. The Corporation shall have and is hereby granted the option exercisable at any time to prepay all or any portion of its payments due or to become due on any or all of the Series 2021 Obligations by depositing with the Bond Trustee for payment into the Bond Fund an amount of money or Government Obligations the principal and interest on which when due, will be equal to an amount sufficient to pay the principal of, premium, if any, and interest on any portion of the Series 2021 Bonds then Outstanding under the 2021 Bond Indenture, without penalty. The exercise of the option granted by this Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the 2021 Bond Indenture and the Corporation specifies the date for such redemption. In the event the Corporation prepays all of its payments due and to become due on the Series 2021 Obligations by exercising the option granted by this Section and upon payment of all fees and expenses of the Issuer and all reasonable and necessary fees and expenses of the Bond Trustee and any Paying Agent accrued and to accrue through final payment of the Series 2021 Bonds called for redemption as a result of such prepayment and of all Administration Expenses through final payment of the Series 2021 Bonds called for redemption as a result of such prepayment, this 2021 Agreement shall terminate; provided that no such termination shall occur unless all of the Series 2021 Bonds are no longer Outstanding.

Section 10.2 Conditions to Exercise of Option. To exercise the option granted in Section 10.1 hereof, the Corporation shall give written notice to the Issuer and the Bond Trustee which shall specify therein the date of such redemption, which date shall be not less than forty-five (45) days (or such shorter period agreed to by the Bond Trustee) from the date the notice is mailed.

[End of Article XI]

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Notices. Any notice, request or other communication under this 2021 Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

- (a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other parties if not given pursuant to (a) or (b) above. The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions ("Instructions") given pursuant to this 2021 Agreement and delivered using electronic means ("Electronic Means") means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder); provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.2 Binding Effect. This 2021 Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Corporation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.2 and 11.9 hereof.

Section 11.3 Severability. In the event any provision of this 2021 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 11.4 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund, the 2021B-C Debt Service Reserve Fund and the Project Fund upon expiration or sooner termination of this 2021 Agreement, after payment in full of the Series 2021 Bonds (or provision for payment thereof having been made in accordance with the provisions of the 2021 Bond Indenture), the fees, charges, and expenses of the Bond Trustee, the Issuer and the Paying Agent in accordance with the 2021 Bond Indenture and this Agreement, the Administration Expenses and all other amounts required to be paid under this 2021 Agreement and the 2021 Bond Indenture, shall belong to and be paid to the Corporation by the Bond Trustee or the Issuer.

Section 11.5 Amendments, Changes, and Modifications. Except as otherwise provided in this 2021 Agreement or in the 2021 Bond Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the 2021 Bond Indenture), this 2021 Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Bond Trustee.

Section 11.6 Execution in Counterparts. This 2021 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 11.7 Payment. At such time as the principal of, premium, if any, and interest on all Bonds Outstanding under the 2021 Bond Indenture shall have been paid, or shall be deemed to be paid, in accordance with the 2021 Bond Indenture, and all other sums payable by the Corporation under this 2021 Agreement shall have been paid, the Series 2021 Obligations shall be deemed to be fully paid and shall be delivered by the Bond Trustee to the Corporation.

Section 11.8 Governing Law.

(a) Except as and to the extent provided in Section 11.8(b) below, this 2021 Agreement and all disputes, claims, defenses, controversies or causes of action (whether in contract or tort) that may be based upon, arise out of or relate hereto, including as to any representation or warranty made by the Corporation in or in connection with this 2021 Agreement or as an inducement to enter into this 2021 Agreement, shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to any conflicts of law principles.

(b) Notwithstanding Section 11.8(a) above, any disputes, claims, defenses, controversies or causes of action based upon, arising out of or relating to the following enumerated matters shall be governed by the laws of the State of Wisconsin, excluding conflicts of law principles: (i) the Issuer's organization, existence, statutory and corporate powers, and legal and contractual capacity; (ii) the Issuer's right to payment of its fees, costs, and expenses, including, but not limited to, attorneys' fees, costs of investigation, and the expenses of other professionals retained by the Issuer and the reasonableness of such fees, costs, and expenses; (iii) the Issuer's and the Issuer Indemnified Persons' rights to indemnification from the Corporation (and the Corporation's corresponding obligation to provide such indemnification); (iv) the Corporation's release of the Issuer and the Issuer Indemnified Persons from liability; (v) exculpation of the Issuer and the Issuer Indemnified Persons from pecuniary liability; and (vi) the Issuer's governmental rights, privileges and immunities.

(c) All claims of whatever character arising out of this 2021 Agreement shall be brought in any state or federal court of competent jurisdiction located in the Dane County, Wisconsin. By executing and delivering this 2021 Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as

specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.9 No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this 2021 Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any Wisconsin constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit. In making the agreements, provisions, and covenants set forth in this 2021 Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, income, and all other property therefrom, as hereinabove provided.

Section 11.10 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this 2021 Agreement, shall be a legal holiday or a day on which banking institutions in Minneapolis, Minnesota, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this 2021 Agreement.

Section 11.11 Waiver of Personal Liability. No Issuer Indemnified Persons or any director, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of any principal of, premium, if any, (or redemption price) or interest on the Series 2021 Bonds or any costs incidental thereto or any sum hereunder or under the 2021 Bond Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this 2021 Agreement, the 2021 Bond Indenture or any other Bond Document; but nothing herein contained shall relieve any such member, director, officer, agent or employee of the Corporation from the performance of any official duty provided by law or by this 2021 Agreement.

Section 11.12 Issuer's Performance. None of the provisions of this 2021 Agreement or the 2021 Bond Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Series 2021 Bonds or the 2021 Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2021 Agreement, the 2021 Bond Indenture, and any and every Series 2021 Bond executed, authenticated and delivered under the 2021 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been requested to do so by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the Issuer's expenses incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2021 Bond Indenture, including but, not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful

performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2021 Bond Indenture and (ii) upon any written certification or opinion furnished to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2021 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2021 Bond Indenture that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.13 No Individual Liability. No covenant or agreement contained in this 2021 Agreement or the 2021 Bond Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors or the governing body of the Corporation or the Bond Trustee or of any officer, director, trustee, agent or employee of the Issuer, the Bond Trustee or the Corporation, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement or any assessment or penalty, or otherwise.

Section 11.14 Survival of Covenants. All covenants, agreements, representations and warranties made by the Corporation in this 2021 Agreement, the 2021 Bond Indenture, the Series 2021 Obligations and the Series 2021 Bonds, and in any certificates or other documents or instruments delivered pursuant to this 2021 Agreement or the 2021 Bond Indenture, shall survive the execution and delivery of this 2021 Agreement, and the 2021 Bond Indenture and the Series 2021 Obligations and shall continue in full force and effect until the Series 2021 Bonds and the Series 2021 Obligations are paid in full and, notwithstanding such payment in full, all of the Corporation's other payment obligations (including without limitation the indemnification obligation under Section 7.5 and the obligations under Sections 5.5, 5.7 and 9.5 hereof) under this 2021 Agreement, the 2021 Bond Indenture, the Series 2021 Obligations and the Series 2021 Bonds shall continue in full force and effect until satisfied. All such covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Corporation.

Section 11.15 Survival of Provisions. The provisions of this 2021 Agreement and the 2021 Bond Indenture and any other document in connection with the issuance of the Series 2021 Bonds to which the Issuer is a party concerning (i) the tax-exempt status of the Tax Exempt Bonds (including, but not limited to, provisions concerning rebate); (ii) the interpretation of this 2021 Agreement; (iii) governing law, jurisdiction and venue; (iv) the Issuer's right to rely on written representations of others contained herein or in any other document or instrument issued or entered into in respect of the Series 2021 Bonds, regardless of whether the Issuer is a party thereto; (v) the indemnification rights and exculpation from liability of the Issuer and the Issuer Indemnified Persons; (vi) the indemnity and limitation of liability of the Bond Trustee; and (vii) any other provision of this 2021 Agreement not described or enumerated above that expressly provides for its survival, shall survive and remain in full force and effect notwithstanding the payment or redemption in full, or defeasance of the Series 2021 Bonds, the discharge of the 2021 Bond Indenture, and the termination or expiration of this 2021 Agreement.

Section 11.16 Assignments. This 2021 Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Bond Trustee its rights under this 2021 Agreement (except its Reserved Rights) and the Corporation may assign its rights under this 2021 Agreement as provided by Section 8.1 hereof.

Section 11.17 Rights of Bond Trustee. The Bond Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Bond Trustee under the 2021 Bond Indenture which are hereby incorporated herein by reference.

Section 11.18 Receipt of and Compliance with 2021 Bond Indenture. The Corporation acknowledges that it has received an executed copy of the 2021 Bond Indenture, and accepts and agrees to

the provisions thereof, including, without limitation, the provisions of Section 9.02 of the 2021 Bond Indenture with respect to compensation and indemnification of the Bond Trustee, and agrees that it will take all such actions as are required or contemplated of it under the 2021 Bond Indenture to preserve and protect the rights of the Bond Trustee, the Issuer and of the Holders thereunder and that it will not take any action which would cause a default or Event of Default thereunder. It is agreed by the Corporation and the Issuer that all redemption of Series 2021 Bonds prior to maturity shall be effected as provided in the 2021 Bond Indenture. The Corporation hereby agrees that its interest in the Property and its rights hereunder are subject to and subordinated to the interest and rights of the Bond Trustee under the 2021 Bond Indenture and acknowledges that the Bond Trustee has entered into the 2021 Bond Indenture in reliance upon the assignment to the Bond Trustee of the Issuer's rights under this 2021 Agreement and the Corporation's provision of indemnity. The Corporation covenants that it will perform all of the Issuer's obligations and covenants under the 2021 Bond Indenture to the extent that they can be performed by the Corporation thereunder. The Corporation further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this 2021 Agreement and will hold the Issuer harmless from any liabilities thereunder. The Corporation further covenants that it will perform all of the duties and obligations of the Corporation that are set forth in the 2021 Bond Indenture.

Section 11.19 Usury and Total Interest. This 2021 Agreement is subject to the express condition, and it is agreed, that at no time shall payment of the Series 2021 Obligations hereunder or under the other the 2021 Bond Indenture that are or are construed to be payments of interest on the unpaid principal amount of the Series 2021 Bonds reflect interest that is borne at a rate in excess of 13% per annum. The Corporation shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this 2021 Agreement or the 2021 Bond Indenture the Corporation is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. This 2021 Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 11.20 Third-Party Beneficiaries. Notwithstanding anything to the contrary herein, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2021 Agreement entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, the Issuer and the Corporation have caused this 2021 Agreement to be executed in their respective corporate names, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

**SAMARITAN HOUSING FOUNDATION,
INC., d/b/a Searstone Retirement Community**

By: _____
President

Signature Page to 2021 Agreement

Signature Page to 2021 Agreement

2021 PROJECT DESCRIPTION

A-1

NO. _____

Date: _____ By: _____
Authorized Officer

B-1

SCHEDULE I

<u>Name of Payee</u>	<u>Nature of Disbursement</u>	<u>Amount</u>
----------------------	-------------------------------	---------------

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PUBLIC FINANCE AUTHORITY
AND
SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT COMMUNITY

LOAN AGREEMENT

Dated as of March 1, 2022

\$(Amount)
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2022A
(Forward Delivery)

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of March 1, 2022 (this “2022 Agreement”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **SAMARITAN HOUSING FOUNDATION, INC.**, a nonprofit corporation duly organized and existing under the laws of the State of Georgia and authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”);

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the acquisition and construction of a continuing care retirement community located in Wake County, North Carolina (the “Community”), owned and operated by the Corporation, and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, of which \$8,000,000 in aggregate principal amount remains currently outstanding (the “Series 2016 Bonds”), to finance the Project (as defined herein and described on Exhibit A), and to fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,600,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$3,410,000 in aggregate principal amount remains currently outstanding (the “Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease

and refund all of the Series 2012 Bonds that then remained outstanding, finance certain pre-development costs relating to an expansion of the Community, fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation (the “Series 2017 Obligation”), issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as of December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), none of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined in the 2021 Bond Indenture (as defined below)), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund (as defined herein), and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the “2021 Bond Indenture”), dated as of October 1, 2021, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2021A in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1 in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2 in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”), all of which remain outstanding,

the proceeds of which were used to finance certain costs of the 2021 Project, (b) refund all then outstanding Series 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund, (e) fund a debt service reserve fund created under the 2021 Bond Indenture to secure the Series 2021B-1 Bonds, Series 2021B-2 Bonds, and Series 2021C Bonds, and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the proceeds of the Series 2021 Bonds were lent to the Corporation under a Loan Agreement, dated as of October 1, 2021, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds was evidenced by the Corporation's Series 2021 Obligations (the "Series 2021 Obligations"), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of refinancing the Project by refunding all of the outstanding Series 2016 Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery)," in the aggregate principal amount of \$[Amount] (the "Bonds") to (a) refund the Refunded Bonds and (b) pay a portion of the costs of issuing the Bonds (collectively, the "Bond Project"); and

WHEREAS, the Project is located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Bonds; and

WHEREAS, the financing of the Bond Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the Project is located; and

WHEREAS, the obligation of the Corporation to make loan payments under this 2022 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds will be evidenced by the Corporation's Series 2022A Obligation, in the principal amount of \$[Amount], payable to the Issuer (the "Series 2022A Obligation"), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 6 ("Supplement Number 6"), dated as of March 1, 2022, between the Corporation and the Master Trustee; and

WHEREAS, the Series 2022A Obligation is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2017 Obligation and the Series 2021 Obligations; and

WHEREAS, the Issuer and the Corporation have each duly authorized the execution, delivery and performance of this 2022 Agreement; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

"2022 Agreement" means this 2022 Agreement and any amendments and supplements hereto made in conformity herewith and with the 2022 Bond Indenture.

"2022 Bond Indenture" means the Indenture of Trust dated as of March 1, 2022 between the Issuer and the Bond Trustee pursuant to which the Bonds are being issued, including any indentures supplemental thereto made in conformity therewith.

"Account" means any account established within a Fund.

"Act" means Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time.

"Administration Expenses" means the fees and expenses incurred by the Issuer pursuant to this 2022 Agreement and the 2022 Bond Indenture, including, but not limited to, the amounts described in Section 5.7 hereof.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Aggregate Principal Amount" means the outstanding principal amount plus, in the case of a security sold at a discount to the purchaser thereof the accreted value of such discount calculated in accordance with the documents authorizing such security, or if not so defined, generally accepted accounting principles.

"Authorized Corporation Representative" means the person or persons at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Bond Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Authorized Denominations" means, with respect to the Bonds, the denomination of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Bonds shall be allowed to purchase, transfer, or sell such Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer or sale, each beneficial owner owns at least \$25,000 of principal amount of the Bonds. In the event the Bonds receive an Investment Grade Rating from at least one Rating Agency, the Issuer shall direct the Bond Trustee, upon a written request from the Corporation, to reduce the minimum denomination for the Bonds to \$5,000 or any integral multiple thereof.

"Authorized Signatory" means any officer, director or other Person designated by resolution of the Board of Directors of Issuer (whether such resolution is adopted in connection with the issuance of the

Bonds or otherwise) or by Issuer's Bylaws as an 'Authorized Signatory' empowered to, among other things, execute and deliver on behalf of Issuer the 2022 Bond Indenture, this 2022 Agreement, and the Bonds.

"Beneficial Owner" means the owners of beneficial ownership interests in the Bonds purchased through participants of the Securities Depository. Beneficial Ownership shall be proved as provided in Section 11.01 of the 2022 Bond Indenture.

"Board" or "Board of Directors" means the governing body of the Issuer.

"Bonds" means the Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery)," in the aggregate principal amount of \$[Amount] issued pursuant to the 2022 Bond Indenture.

"Bond Counsel" means Robinson, Bradshaw & Hinson, P.A., and its successors or such other nationally recognized bond counsel as may be selected by the Corporation and reasonably acceptable to the Issuer and the Bond Trustee.

"Bond Documents" means this 2022 Agreement, the 2022 Bond Indenture, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, and the Deed of Trust.

"Bond Fund" means the Bond Fund created in Section 3.02 of the 2022 Bond Indenture.

"Bond Project" has the meaning given to such term in the recitals above.

"Bondholder" or "Owner of the Bonds" mean the registered owner of any fully registered Bond.

"Bond Trustee" means UMB Bank, National Association, being the registrar, a paying agent and the Bond Trustee under the 2022 Bond Indenture, or any successor corporate trustee.

"Business Day" means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Minneapolis, Minnesota (or, if different, in the city in which the designated corporate trust office of the Bond Trustee is located), a day on which banking institutions are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

"Certified Resolution" means a resolution duly adopted by the Board of Directors, certified by an authorized signatory.

"Closing Date" means the date on which the Bonds are delivered to the purchaser or purchasers thereof and payment is received by the Bond Trustee.

"Code" means the Internal Revenue Code of 1986, as amended.

"Community" means the continuing care retirement community known as "Searstone" located at 17001 Searstone Drive, Cary, North Carolina 27513, in the Town of Cary, Wake County, North Carolina.

"Corporation" means Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as "Searstone Retirement Community", and any and all successors thereto in accordance with the Master Indenture.

"Costs of Issuance" means all costs and expenses incurred by the Issuer or the Corporation in connection with the issuance and sale of the Bonds, including without limitation (i) fees and expenses of

accountants, attorneys, engineers, and financial advisors, (ii) materials, supplies, and printing and engraving costs, (iii) recording and filing fees and (iv) rating agency fees.

"Cost of Issuance Fund" means the Cost of Issuance Fund created under Section 3.17 of the 2022 Bond Indenture.

"Deed of Trust" means the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021, from the Corporation to Stewart Title Company, as deed of trust trustee for the use and benefit of the Master Trustee, as the same may be amended in accordance with its provisions.

"Delivery Date" means the date the Bonds are delivered to the initial purchasers against payment therefor.

"Determination of Taxability" means:

(a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that an Event of Taxability has occurred,

(b) the deposit by the Corporation with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the Date of Taxability; the Corporation will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability,

(c) the rendering of a final and unappealable decision, judgment, decree, or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred, or

(d) the deposit by Bond Counsel with the Bond Trustee of an unqualified opinion to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Bonds is excluded from gross income for purposes of federal income taxation.

"Event of Bankruptcy" means the occurrence of any of the following events: (i) the Corporation shall become insolvent or the subject of insolvency proceedings or shall file a petition or other pleading seeking an "order for relief" within the meaning of the United States Bankruptcy Code, or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation of assets or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Corporation, or of substantially all of the assets of the Corporation, or shall make a general assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts generally as they become due; or (ii) a petition or other pleading shall be filed against the Corporation seeking an "order for relief" within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation of assets or similar relief under any present or future law or regulation, and shall remain un-dismissed or un-stayed for an aggregate period of ninety (90) days (whether or not consecutive), or, by an order or decree of a court of competent jurisdiction, the Corporation shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or other pleading, or, by order or decree of such court, there shall be appointed, without the consent or acquiescence of the Corporation, a trustee in bankruptcy or reorganization or a receiver or liquidator of the Corporation or of all or any substantial part of the property of the Corporation, and any such order or decree shall have continued un-vacated, un-stayed on appeal or otherwise and in effect for a period of ninety (90) days.

“Event of Default” means those defaults specified in Section 9.1 hereof and Section 8.01 of the 2022 Bond Indenture.

“Event of Taxability” means any conditions or circumstances that cause the interest on any of the Bonds to become includable in the gross income of the Beneficial Owner thereof for federal income tax purposes.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“Existing Liens” means the exceptions listed in Schedule B, Part I, to the Loan Policy of Title Insurance insuring the Deed of Trust, as endorsed or proposed to be endorsed through the date of this 2022 Agreement.

“Fitch” means Fitch Inc., or any successor thereto maintaining a rating on the Bonds.

“Funds” means the Bond Fund and the Costs of Issuance Fund.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including (in the case of direct obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the Corporation of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Governmental Unit” shall have the meaning set forth in Section 150 of the Code.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; and any applicable State environmental statutes, rules and regulations; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Project or the owners and/or occupants of property adjacent to or surrounding the Project, or any other person coming upon the Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Indemnified Persons” means the Issuer, the Issuer Indemnified Persons, the Bond Trustee, and the Trustee Indemnified Persons.

“Interest Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2022 Bond Indenture.

“Interest Payment Date” means (i) as to the Bonds, each June 1 and December 1, commencing June 1, 2022, or, if such day is not a Business Day, the immediately succeeding Business Day.

“Investment Grade Rating” means a rating (without regard to gradations within such rating category) of “BBB” or higher by Standard & Poor’s or Fitch or “Baa” or higher by Moody’s.

“Issuer” means the Public Finance Authority and its successors and assigns.

“Issuer Indemnified Persons” means, collectively, the Sponsors, the Members and each and all of the Issuer’s, the Sponsor’s and the Members’ respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Signatories, attorneys, contractors, subcontractors, agents and advisers (including, without limitation, counsel and financial advisers) and each of their respective heirs, successors and assigns.

“Issuer’s Annual Fee” means the Issuers annual administration fee determined and payable in the amounts and at the times specified in Section 5.7 of this 2022 Agreement.

“Issuer’s Fees and Expenses” means those fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the under the 2022 Bond Indenture and this 2022 Agreement and all taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received under the 2022 Bond Indenture or this 2022 Agreement or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer, at the Corporation’s expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer.

“Joint Exercise Agreement” means the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 by and among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin and the City of Lancaster, Wisconsin, as such agreement may be amended from time to time.

“Majority Bondholders” means the Beneficial Owner or Beneficial Owners of a majority in aggregate principal amount of the Bonds.

“Master Indenture” means the Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and the Master Trustee, including Supplement Number 1, Supplement Number 2, Supplement Number 3, Supplement Number 4, Supplement Number 5, Supplement Number 6, and any additional supplements or amendments thereto and modifications thereof.

“Master Trustee” means UMB Bank, National Association, as trustee under the Master Indenture, and its successors as trustee thereunder.

“Maximum Rate” means the not to exceed interest rate stated in the resolution of the Board of Directors of the Issuer authorizing the issuance of the Bonds (24% per annum).

“Members” means the parties to the Joint Exercise Agreement and any political subdivision that has been designated in the past, or from time to time in the future is designated, as a member of the Issuer pursuant to the Joint Exercise Agreement.

“Moody’s” means Moody’s Investors Service, Inc., or any successor thereto maintaining a rating on the Bonds.

“Obligated Group Members” has the meaning given such term in the Master Indenture.

“Obligated Group Representative” means (i) the Corporation and (ii) any surviving, resulting or transferee corporation.

“Opinion of Bond Counsel” means an opinion in writing signed by legal counsel selected by the Corporation and acceptable to the Issuer and the Bond Trustee who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys, acceptable to the Bond Trustee, who may be counsel to the Corporation or other counsel.

“Outstanding” means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Bond Trustee under the 2022 Bond Indenture, except:

(a) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds (or Government Obligations to the extent permitted in Section 7.01 of the 2022 Bond Indenture) shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); 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 Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee, shall have been filed with the Bond Trustee and provided further that prior to such payment or redemption, the Bonds to be paid or redeemed shall be deemed to be Outstanding for the purpose of transfers and exchanges under Section 2.05 of the 2022 Bond Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06 of the 2022 Bond Indenture.

“Parity Debt Service Reserve Fund” means the Debt Service Reserve Fund created in Section 3.06 of the Master Indenture.

“Paying Agent” means any bank or trust company, including the Bond Trustee, designated pursuant to the 2022 Bond Indenture to serve as a paying agency or place of payment for the Bonds, and any successor designated pursuant to the 2022 Bond Indenture.

“Payment Office” with respect to the Bond Trustee or other Paying Agent means the office maintained by the Bond Trustee or any affiliate of the Bond Trustee or of another Paying Agent for the payment of interest and principal on the Bonds.

“Permitted Encumbrances” has the meaning assigned to such term in the Master Indenture.

“Permitted Investments” has the meaning assigned to such term in the Master Indenture.

“Person” means an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“Principal Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2022 Bond Indenture.

“Project” means the Project to be refinanced by the Bonds as described in Exhibit A hereto.

“Rating Agency” means Fitch, Inc., Moody’s or Standard & Poor’s, and any successor thereto.

“Rebate Fund” means that special fund established in the name of the Issuer with the Bond Trustee pursuant to Section 3.15 of the 2022 Bond Indenture.

“Registered Owner” or “Owners” means the person or persons in whose name or names a Bond shall be registered on books of the Issuer kept by the Bond Trustee for that purpose in accordance with the terms of the 2022 Bond Indenture.

“Regular Record Date” means for the Bonds the fifteenth (15th) day of the month preceding each regularly scheduled interest payment date therefor.

“Regulations” means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reserved Rights” means all of the rights of the Issuer under Sections 11.02 and 11.03 of the 2022 Bond Indenture, Sections 7.5 and 7.9 hereof and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Issuer’s rights thereunder and under this 2022 Agreement to (i) inspect books and records; (ii) give or receive notices, approvals, consents, requests, and other communications; (iii) receive payment or reimbursement for expenses, including, without limitation, “Administration Expenses” as defined in this 2022 Agreement and the Issuer’s Annual Fee; (iv) immunity from and limitation of liability; (v) indemnification by the Corporation or any other Person; and (vi) further, to enforce, in its own name and on its own behalf, those provisions hereof and of the 2022 Bond Indenture and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Issuer or any Issuer Indemnified Person. For avoidance of doubt, the “Reserved Rights” referenced in clauses (iv), (v), and (vi) above, shall be interpreted broadly to encompass (but not be limited to) the rights of the Issuer Indemnified Persons to immunity from and limitation of liability and indemnification by the Corporation as provided herein and the right of any such Issuer Indemnified Person to enforce such rights in his, her or its own name.

“Responsible Officer” when used with respect to the Bond Trustee means an officer in the Corporate Trust Department of the Bond Trustee having direct responsibility for administration of the 2022 Bond Indenture.

“Securities Depository” means The Depository Trust Company, New York, New York, and any successor thereto as permitted by the 2022 Bond Indenture.

“Series 2022A Obligation” means the Series 2022A Obligation of the Corporation, dated the Closing Date, in the principal amount of \$[Amount], payable to the Bond Trustee and issued under Supplement Number 6.

“Special Record Date” means a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 of the 2022 Bond Indenture.

“Sponsor” means the National League of Cities, the National Association of Counties, the Wisconsin Counties Association, the League of Wisconsin Municipalities, and any other Person that holds itself out, or is identified by the Issuer, as an organization sponsoring the Issuer.

“Standard & Poor’s” means S&P Global Ratings, Standard & Poor’s Financial Services, LLC business, or any successor thereto maintaining a rating on the Bonds.

“State” means the State of Wisconsin.

“Supplement Number 1” means Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 2” means Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 3” means Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 4” means Supplemental Indenture Number 4, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 5” means Supplemental Indenture Number 5, dated as of October 1, 2021, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 6” means Supplemental Indenture Number 6, dated as of March 1, 2022, between the Obligated Group Representative and the Master Trustee.

“Tax Agreement” means the Tax Certificate and Agreement dated the date of issuance of the Bonds, executed by the Issuer and the Corporation.

“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, or corresponding provisions of federal income tax laws from time to time in effect.

“Trust Estate” means the property pledged and assigned to the Bond Trustee pursuant to the granting clauses of the 2022 Bond Indenture.

“Trustee Indemnified Persons” means and the Bond Trustee and its officers, directors, employees and agents.

“Underwriter” means Herbert J. Sims & Co., Inc., as the underwriter of the Bonds.

[End of Article I]

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer represents that:

The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) **Organization and Authority.** The Issuer is a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and validly existing under the laws of the State; and has full power and authority under the Act to adopt the Certified Resolution approving the Bonds and the Bond Documents; to enter into, perform its obligations under, and exercise its rights under the Bond Documents to which it is a party; and when executed and delivered by the respective parties thereto, the Bond Documents to which the Issuer is a party will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against joint powers commissions or governmental units of the State.

(b) **Official Action.** By official action of the Issuer prior to or concurrently herewith, the Issuer has authorized and approved the execution and delivery of the Bond Documents to which the Issuer is a party and the consummation by the Issuer of the transactions contemplated thereby.

(c) **Litigation.** To the knowledge of the Issuer, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Issuer seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Bond Documents to which the Issuer is a party or contesting in any way the existence of the powers of the Issuer relating to the authorization, issuance and sale of the Bonds.

(d) **Execution and Delivery of the Bonds.** The execution and delivery by the Issuer of the Bond Documents to which the Issuer is a party and compliance with the provisions on the Issuer’s part contained therein will neither (i) conflict with nor constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Bond Documents to which the Issuer is a party.

No Issuer Indemnified Person (including any Issuer Indemnified Person who executes any certificate in connection with the Bonds that restates or certifies as to the truth and accuracy thereof)

shall be individually liable for the breach by the Issuer of any representation or covenant contained in the document.

(e) **Governmental Consents.** No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any Wisconsin or federal governmental authority on the part of the Issuer is required in connection with the execution, delivery, and performance of the Bond Documents to which it is a party or the consummation of any transaction therein contemplated except as have been obtained or made and as are in full force and effect, except that no such representation is made with respect to any securities or “blue sky” filings in any state or with respect to the recording of any real estate documents or the filing of financing statements.

(f) **No Prior Pledge.** Neither the Bond Documents nor any payments to be received by the Issuer under the Bond Documents has been mortgaged, pledged, or hypothecated by the Issuer in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as security for the payment of the Bonds.

Section 2.2 Representations by the Corporation. The Corporation represents and warrants to the Issuer that, as of the date of execution of this 2022 Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Issuer or the results thereof):

(a) The Corporation is a nonprofit corporation duly incorporated and in good standing under the laws of the State of Georgia, is qualified to conduct business in the State of North Carolina, has full legal right, power and authority to enter into this 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation, and to carry out and consummate all transactions contemplated hereby and by the 2022 Bond Indenture, Supplement Number 6, the Series 2022A Obligation, the Master Indenture and the Deed of Trust, and by proper corporate action has duly authorized the execution, delivery and performance of this 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation.

(b) The officers of the Corporation executing this 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation are duly and properly in office and fully authorized to execute the same.

(c) This 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation have been duly authorized, executed and delivered by the Corporation.

(d) This 2022 Agreement and the Series 2022A Obligation, when assigned to the Bond Trustee pursuant to the 2022 Bond Indenture, will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation, including, without limitation, by the Bond Trustee in accordance with their terms for the benefit of the Beneficial Owners of the Bonds, and any rights of the Issuer and Issuer Indemnified Persons and obligations of the Corporation not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Corporation enforceable against the Corporation by the Issuer (a) in its own right or (b) in the case of the rights of any Issuer Indemnified Person (including, without limitation, the right of any Issuer Indemnified Person to indemnification and immunity from liability), by such issuer Indemnified Person in his, her, or its own right, in accordance with their respective terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’

rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation, the consummation of the transactions herein and therein and contemplated by the 2022 Bond Indenture, the Master Indenture and the Deed of Trust, and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Corporation, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of this 2022 Agreement, Supplement Number 6, and the Series 2022A Obligation, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this 2022 Agreement, the 2022 Bond Indenture, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, and the Deed of Trust, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation. All tax returns (federal, state and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(h) No written information, exhibit or report furnished to the Issuer by the Corporation in its application for financing or by the Corporation or its representatives in connection with the

negotiation of this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, the Deed of Trust or any other Bond Documents, regardless of whether Issuer is a party thereto (including, without limitation, any financial statements, whether audited or unaudited, and any other financial information provided in connection therewith) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) As of the date of this 2022 Agreement, (i) the Corporation is a Tax Exempt Organization, for federal income tax purposes, (ii) the Corporation has received a determination letter from the Internal Revenue Service to the effect that it is a Tax Exempt Organization, (iii) the Corporation is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax Exempt Organization has not been adversely modified, limited, or revoked, (v) the facts and circumstances which formed the basis for the status of the Corporation, as represented to the Internal Revenue Service in the Corporation’s application for a determination letter, either substantially exist for the Corporation or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code and (vi) the refinancing, ownership and operation of the Project as contemplated by the 2022 Bond Indenture and this 2022 Agreement does not adversely affect the status of the Corporation as a Tax Exempt Organization.

(j) The Corporation has good and marketable title to the Project free and clear from all encumbrances other than the Existing Liens.

(k) The Corporation complies and covenants to comply in all material respects with all applicable Environmental Regulations.

(l) Neither the Corporation nor the Project are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Corporation does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(n) The representations, warranties and covenants of the Corporation set forth in the Tax Agreement are incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

[End of Article II]

**ARTICLE III
TERM OF AGREEMENT**

Section 3.1 Term of this 2022 Agreement. Subject to Section 11.14 herein, this 2022 Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the Bonds shall have been fully paid or provision made for such payment pursuant to the 2022 Bond Indenture and all reasonable and necessary fees and expenses of the Bond Trustee and all fees and expenses of the Issuer accrued and to accrue through final payment of the Bonds and all liabilities of the Corporation with respect to the Bonds accrued and to accrue through final payment of the Bonds have been paid.

[End of Article III]

**ARTICLE IV
ISSUANCE OF THE BONDS; DISBURSEMENTS**

Section 4.1 Agreement to Issue Bonds. In order to provide funds to refund the Refunded Bonds and pay Costs of Issuance, the Issuer agrees that it will issue, sell and deliver to the Underwriter, the Bonds in the aggregate principal amount of \$[Amount] and will cause the proceeds thereof to be delivered to the Bond Trustee for disposal in accordance with Section 3.01 of the 2022 Bond Indenture and the request and authorization to the Bond Trustee described in Section 2.07(d) of the 2022 Bond Indenture.

Section 4.2 Requests for Disbursements.

(a) Each payment from the Cost of Issuance Fund will be made by the Bond Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Corporation, to the payee shown on the hereinafter described request for disbursement form, upon receipt by the Bond Trustee of an application for payment in compliance with the requirements of this Section, and the Bond Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Corporation hereby covenants and agrees to indemnify and save harmless the Issuer and the Bond Trustee and their respective officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment.

(b) The Corporation shall be entitled to disbursement of moneys in the Cost of Issuance Fund to pay the Costs of Issuance and to reimburse itself for Costs of Issuance paid by the Corporation, upon presentation to the Bond Trustee of a request for disbursement signed by the Corporation and delivered as hereinafter described. The Corporation shall request disbursements from the Cost of Issuance Fund using the form attached hereto as Exhibit B, but in no event shall such a request be made more often than four times per month.

Section 4.3 Covenants Regarding Tax Exemption. The representations, warranties, and covenants of the Corporation and the Issuer set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

Section 4.4 Representations and Warranties as to Tax Exempt Status of Corporation. The Corporation hereby represents and warrants as follows:

(a) the Corporation is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(b) the purposes, character, activities and methods of operation of the Corporation have not changed materially since its organization and are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code (the "Determination");

(c) the Corporation has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized or disclosed to the Internal Revenue Service in connection with its Determination;

(d) the Corporation has not operated since its organization in a manner that would result in it being classified as an "action" organization within the meaning of section 1.501(c)(3)-

1(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(e) with the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Corporation, no person controlled by any such individual or individuals nor any person having a personal or private interest in the activities of the Corporation has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Corporation during the current Fiscal Year and the period, if any, preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the Corporation;

(f) the Corporation will not be treated as a “private foundation” within the meaning of Section 509(a) of the Code or will be treated during any transition period as an “operating foundation” under Section 4943(j)(3) of the Code, which will exempt the Corporation from the tax on undistributed income;

(g) the Corporation has not received any indication or notice whatsoever to the effect that its exemption under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(h) the Corporation has filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has notified the Internal Revenue Service of any changes in its organization and operation since the date of its Determination;

(i) the Corporation has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and

(j) the Corporation has not taken any action, nor does it know of any action that any other person has taken, nor does it know of the existence of any condition, which would cause the Corporation to lose its exemption from taxation under Section 501(a) of the Code or cause the interest on the Bonds to become taxable to the recipient thereof because such interest is not excludable from the gross income of such recipient for federal income tax purposes under Section 103(a) of the Code.

Section 4.5 Disposition of Project. The Corporation covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation obtains an Opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax exempt status of the Bonds.

[End of Article IV]

ARTICLE V LOAN OF BOND PROCEEDS; SERIES 2022A OBLIGATION; PROVISION FOR PAYMENT

Section 5.1 Loan of Bond Proceeds. The Issuer hereby agrees to lend to the Corporation the proceeds of the Bonds for the purpose of financing the Bond Project. The Corporation hereby agrees to repay the loan pursuant to the conditions set forth in Section 5.2 hereof.

Section 5.2 Repayment of Loan. The Corporation agrees to pay to the Bond Trustee for the account of the Issuer all payments when due on the Series 2022A Obligation. If for any reason the amounts paid to the Bond Trustee by the Corporation on the Series 2022A Obligation, together with any other amounts available in the Bond Fund, are not sufficient to pay principal of, premium, if any, and interest on the Bonds when due, the Corporation agrees to pay the amount required to make up such deficiency.

The Corporation agrees to pay or cause to be paid to the Bond Trustee the following amounts at the following times:

(1) on or before the fifth (5th) Business Day prior to the end of each month, the amount which, together with other available funds in the Interest Account, is necessary to provide, in equal monthly installments, funds for the payment of interest on the Bonds becoming due on the immediately succeeding Interest Payment Date;

(2) on or before the fifth (5th) Business Day prior to the end of each month, commencing with June 20[___], the amount which, together with other available funds in the Principal Account, is necessary to provide, in twelve (12) equal monthly installments, funds for the payment of the principal of the Bonds becoming due on the immediately succeeding principal maturity or sinking fund redemption date; and

(3) on or before the fifth (5th) Business Day prior to each date fixed for the redemption of Bonds (other than a scheduled mandatory redemption date, for which payments are required pursuant to paragraph (2) above), an amount equal to the redemption price of the Bonds to be redeemed on such date.

Section 5.3 Credits. Any amount in any account of the Bond Fund at the close of business of the Bond Trustee on the fifteenth (15th) day immediately preceding any payment date on the Series 2022A Obligation in excess of the aggregate amount then required to be contained in such account of the Bond Fund pursuant to Section 5.2 hereof shall be credited against the payments due by the Corporation on such next succeeding principal or interest payment date on the Series 2022A Obligation.

In the event that all of the Bonds then Outstanding are called for redemption, any amounts contained in (a) the “Series 2022A Account” in the Parity Debt Service Reserve Fund, subject to Section 3.06 of the Master Indenture, and (b) the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding such redemption date shall be credited against the payments due by the Corporation on the Series 2022A Obligation, as provided below.

The principal amount of any Bonds to be applied by the Bond Trustee as a credit against any sinking fund payment pursuant to Section 5.02 of the 2022 Bond Indenture shall be credited against the obligation of the Corporation with respect to payment of installments of principal of the Series 2022A Obligation as described in Supplement Number 6.

The cancellation by the Bond Trustee of any Bonds purchased by the Corporation or of any Bonds redeemed or purchased by the Issuer through funds other than funds received on the corresponding Series 2022A Obligation shall constitute payment of a principal amount of the Series 2022A Obligation equal to the principal amount of the Bonds so cancelled. Upon receipt of written notice from the Bond Trustee of such cancellation, the Master Trustee shall at the request of the Corporation endorse on the Series 2022A Obligation such payment of such principal amount thereof.

Section 5.4 Series 2022A Obligation. Concurrently with the sale and delivery by the Issuer of the Bonds, the Corporation shall execute and deliver the Series 2022A Obligation substantially in the form set forth in Supplement Number 6.

Section 5.5 Payment of Bond Trustee's and Paying Agent's Fees and Expenses. The Corporation agrees to pay the reasonable and necessary fees and expenses (including attorney's fees) of the Bond Trustee and any Paying Agent as and when the same become due, upon submission by the Bond Trustee or any Paying Agent of a statement therefor.

Section 5.6 [Intentionally Omitted].

Section 5.7 Payment of Administration Expenses. In addition to the payments on the loan from the Issuer, the Corporation shall also pay to the Issuer or to the Bond Trustee, as the case may be, "Administration Expenses," as follows:

(a) All taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer or the Bond Trustee, at the Corporation's expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the 2022 Bond Indenture and all amounts referred to in Section 3.12 of the 2022 Bond Indenture, as and when the same become due and payable;

(c) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee, in connection with the performance of its duties hereunder or under the 2022 Bond Indenture, to prepare audits, financial statements, reports, opinions or provide such other services required under this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation or the 2022 Bond Indenture, including, but not limited to, any audit or inquiry by the Internal Revenue Service or any other governmental body; and

(d) The Issuer's Annual Fee and the fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, the Bonds or the 2022 Bond Indenture, including, without limitation, any and all expenses incurred in connection with the

authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this 2022 Agreement, the Master Indenture, Supplement Number 6, the Series 2022A Obligation, the Bonds or the 2022 Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of this 2022 Agreement, the Master Indenture, Supplement Number 6 and the Series 2022A Obligation.

Such Administration Expenses shall be billed to the Corporation by the Issuer or the Bond Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Bond Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after receipt of the bill by the Corporation. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Corporation for payment of the Issuer's Annual Fee under the 2022 Bond Indenture. The Issuer's Annual Fee shall be calculated and paid in semiannual installments on the six (6) month anniversary of the Closing Date and subsequently on the same day every sixth (6th) month thereafter. The amount of each semiannual payment shall be determined by multiplying (i) the principal amount of the Bonds Outstanding as of the last day of the calendar month preceding the installment payment due date by (ii) 0.03 percent (3 basis points) by (iii) one-half (1/2). The Corporation shall notify the Bond Trustee it is paying the Issuer's Annual Fee and upon receipt the Bond Trustee shall deposit such annual fee payment to the Administrative Cost Fund established by Section 3.16 of the 2022 Bond Indenture. Any invoice furnished to the Corporation by the Issuer or the bond Trustee pursuant to this Section 5.7 shall be deemed to constitute written notice under Section 9.1 sufficient to cause the 60-day period specified in Section 9.1 to commence.

Section 5.8 [Intentionally Omitted].

Section 5.9 Payees of Payments. The payments on the Series 2022A Obligation pursuant to Section 5.2 hereof shall be paid in funds immediately available at the Payment Office of the Bond Trustee, directly to the Bond Trustee for the account of the Issuer and shall be deposited into the appropriate account of the Bond Fund. The payments to be made to the Bond Trustee and the Paying Agent under Section 5.5 hereof shall be paid directly to the Bond Trustee and the Paying Agent for their own use. The payments for Administration Expenses under Section 5.7 hereof shall be paid directly to the Issuer for its own use.

Section 5.10 Obligations of Corporation Hereunder Unconditional. The obligations of the Corporation to make the payments required in Section 5.2 hereof shall be absolute and unconditional. The Corporation will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.2 hereof for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Wisconsin or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this 2022 Agreement, whether express or implied. Subject to Section 11.12 hereof, nothing contained in this Section shall be construed to release the Issuer from the performance of any agreements on its part herein contained; and in the event the Issuer shall fail to perform any such agreement, the Corporation may institute such action against the Issuer as the Corporation may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the Corporation contained herein and the Issuer shall not be required to pay any costs, expenses, damages or any amounts of whatever nature except for amounts received pursuant to this 2022 Agreement. Subject to Section 11.12 hereof, nothing herein shall be construed to impair the Corporation's right to institute an independent action for any claim that it may have against the Issuer, the Bond Trustee, any Bondholder or any other third party. The

Corporation may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect this right of possession, occupancy, and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Corporation.

Section 5.11 Closing Expenses. In addition to and without in any way limiting the Corporation's obligations to pay and indemnify the Issuer and the Issuer Indemnified Persons against fees, costs and charges arising out of or in connection with this 2022 Agreement, the Bond Documents, the Bonds or the 2022 Bond Indenture, the Corporation shall pay, upon the closing of the issuance of the Bonds and as a condition thereto: (i) to the Issuer, the Issuer's issuance fee of the greater of (a) \$15,000 and (b) 0.20% (20 basis points) of the par amount of the Bonds (less, if applicable, any application fee heretofore paid by the Corporation to Issuer); and (ii) attorney's fees of \$15,000 incurred by the Issuer in connection with the issuance of the Bonds.

[End of Article V]

ARTICLE VI MAINTENANCE AND INSURANCE

Section 6.1 Maintenance and Modifications of Project by Corporation. The Corporation may, at its own expense, cause to be made from time to time any additions, modifications or improvements to the Project provided such additions, modifications or improvements do not impair the character of the Project as a "project" within the meaning of the Act or impair the extent of the exclusion of interest on the Bonds from federal income taxation.

Section 6.2 Insurance. Throughout the term of this 2022 Agreement, the Corporation will, at its own expense, provide or cause to be provided insurance against loss or damage to the Project in accordance with the terms of the Master Indenture.

[End of Article VI]

**ARTICLE VII
SPECIAL COVENANTS**

Section 7.1 No Warranty of Merchantability, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or that the Project will continue to be suitable for the Corporation's purposes or needs. Without limiting the effect of the preceding sentence, it is expressly agreed that in connection with each sale or conveyance pursuant to this 2022 Agreement (i) the Issuer makes NO WARRANTY OF MERCHANTABILITY and (ii) THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

Section 7.2 Right of Access to the Project. The Corporation agrees that the Issuer, the Bond Trustee, and any of their duly authorized agents shall have the right at all reasonable times upon reasonable notice to the Corporation to examine and inspect the Project to determine that the Corporation is in compliance with the terms and conditions of this 2022 Agreement; provided that any such inspection will be conducted in a manner that will minimize any intrusion on the operations of the Project.

Section 7.3 Nonsectarian Use. The Corporation agrees that no proceeds of the Bonds will be used to refinance facilities intended to be used or which are being used for sectarian purposes.

Section 7.4 Further Assurances. The Issuer and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this 2022 Agreement.

Section 7.5 Indemnification. To the fullest extent permitted by law, the Corporation hereby fully, forever and irrevocably releases from, and jointly and severally agrees to indemnify, hold harmless and defend each Indemnified Person against any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Persons, or any of them, may become subject under or any statutory law or regulation (including, without limitation, federal or state securities laws and regulations and federal tax laws or regulations) or at common law or otherwise (collectively, "Liabilities"), arising out of or based upon or in any way relating to:

- (a) the Bonds, the 2022 Bond Indenture, this 2022 Agreement, the Series 2022A Obligation or any other of the Bond Documents or the Tax Agreement with the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;
- (b) the performance or observance by or on behalf of the Issuer or the Bond Trustee of those things on the part of the Issuer or the Bond Trustee agreed to be performed or observed hereunder and under the 2022 Bond Indenture and the Tax Agreement;
- (c) any act or omission of the Corporation or any of its affiliates or affiliated persons, agents, contractors, servants, employees, tenants or licensees in connection with the Bond Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from formerly undertaking the planning, design, acquisition, installation or construction of, the Project or any part thereof;
- (d) any lien or charge upon payments by the Corporation to the Issuer or the Bond Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes),

assessments, impositions and other charges imposed on the Issuer or the Bond Trustee in respect of any portion of the Project;

- (e) any violation of any Environmental Laws with respect to, or the release of any Hazardous Substances from, the Project or any part thereof;
- (f) the defeasance and/or redemption, in whole or in part, of the Bonds;
- (g) except for any information provided by the Issuer in the sections titled "THE ISSUER" and "LITIGATION – The Issuer," any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;
- (h) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Bonds is taxable;
- (i) the Bond Trustee's acceptance or administration of the trust of the 2022 Bond Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the Bond Documents;
- (j) any injury to or death of any Person or damage to property in or upon the Project or growing out of or connected with the use, nonuse, condition or occupancy of the Project;

except (A) in the case of the foregoing indemnification of the Bond Trustee Indemnified Persons, to the extent such Liabilities are caused by the negligence or willful misconduct of such Trustee Indemnified Person; or (B) in the case of the foregoing indemnification of the Issuer and the Issuer Indemnified Persons, to the extent such Liabilities are caused by the willful misconduct of the Person seeking indemnification.

THE CORPORATION EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS SHALL BE RELEASED FROM AND INDEMNIFIED HEREUNDER AGAINST ANY AND ALL LIABILITIES ARISING FROM THE ISSUER'S OR ANY ISSUER INDEMNIFIED PERSON'S OWN NEGLIGENCE OF ANY KIND, DESCRIPTION OR DEGREE (EXPRESSLY WAIVING THE COMPARATIVE NEGLIGENCE PROVISIONS OF SECTION 895.045 OF THE WISCONSIN STATUTES AND THE STATUTORY AND COMMON LAW CONTRIBUTORY OR COMPARATIVE NEGLIGENCE LAWS OF ANY OTHER STATE OR JURISDICTION), OR BREACH OF CONTRACTUAL DUTY, WITHOUT REGARD TO OR THE NECESSITY OF ANY BREACH OR FAULT ON THE PART OF CORPORATION, EXCEPT INsofar AS AND TO THE EXTENT THAT ANY SUCH LIABILITIES ARISE FROM THE WILLFUL MISCONDUCT OF THE PERSON SEEKING INDEMNIFICATION.

In the event that any action or proceeding is brought against any Indemnified Person with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Person, shall assume the investigation and defense thereof, including the employment of counsel selected

by the Indemnified Person, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in their sole discretion; provided that the Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Person shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the fees and expenses of such separate counsel; provided, however, that such Indemnified Person may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Person a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The rights of any Persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Bond Trustee any resignation or removal. The provisions of this Section shall remain valid and in effect notwithstanding repayment of the loan hereunder or payment, redemption or defeasance of the Bonds or termination of this 2022 Agreement or the 2022 Bond Indenture.

Insofar as any document or instrument issued or delivered in connection with the Bonds (including, without limitation, the documents referred to in this Section 7.5 above) purports to constitute an undertaking by, or impose an obligation upon, the Corporation to provide indemnification to the Issuer or the Issuer Indemnified Persons, the indemnification provision or provisions of such document shall not be deemed, interpreted or construed in any way as a modification of or limitation upon the Corporation's obligations or the rights of the Issuer and the Issuer Indemnified Persons under this Section 7.5 and the provisions of this Section 7.5 shall in every respect supersede the indemnification provisions of any such other document and shall apply thereto as if fully set forth therein.

Section 7.6 Authority of Corporation. Whenever under the provisions of this 2022 Agreement the approval of the Corporation is required, or the Issuer or the Bond Trustee are required to take some action at the request of the Corporation, such approval or such request shall be made by the Corporation unless otherwise specified in this 2022 Agreement and the Issuer or the Bond Trustee shall be authorized to act on any such approval or request and the Corporation shall have no complaint against the Issuer or the Bond Trustee as a result of any action taken.

Section 7.7 Authority of Authorized Signatory. Whenever under the provisions of this 2022 Agreement the approval of the Issuer is required such approval shall be made by the Authorized Signatory unless otherwise specified in this 2022 Agreement, and the Corporation or the Bond Trustee shall be authorized to act on any such approval and the Issuer shall have no complaint against the Corporation or the Bond Trustee as a result of any such action taken.

Section 7.8 No Personal Liability. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member, the State of Wisconsin, or any other political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this 2022 Agreement, the Bonds or the 2022 Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under this 2022 Agreement, and except as may result solely from Issuer's own willful misconduct.

The Corporation hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds is the Trust Estate, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then upon notice or demand from the Bond Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest when due, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 7.9 Fees and Expenses. The Corporation agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Issuer in connection with the Bonds, including without limitation, (i) all fees required to be paid to the Issuer with respect to the Bonds, including its issuance fee of \$[] on the Closing Date, (ii) all out of pocket expenses and Costs of Issuance (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the issuance of the Bonds on the Closing Date and (iii) all out of pocket expenses (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the enforcement of any of its rights or remedies or the performance of its duties under the 2022 Bond Indenture or this 2022 Agreement.

Section 7.10 Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person that is not an organization described in Section 501(c)(3) of the Code or a Governmental Unit or by an organization described in Section 501(c)(3) of the Code (including the Corporation) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

Section 7.11 Special Services Covenant. The Corporation shall maintain a continuing care retirement facility providing healthcare services to its residents within the territorial limits of Wake County, North Carolina, as long as any Bonds remain Outstanding; provided, however, the Issuer, upon review of such facts as it deems relevant, may, from time to time, allow the Corporation to provide alternative services which provide public benefit to the participants in the Issuer's program and its residents, or deem this special services covenant to be satisfied in whole or in part.

Section 7.12 Related Party Transactions. The Corporation shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Corporation's business and upon terms found by the governing body of the Corporation to be fair and reasonable and no less favorable to the Corporation than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 7.13 Continuing Disclosure. The Corporation, with the consent of the Issuer, has executed a Continuing Disclosure Certificate. While the Continuing Disclosure Certificate is in effect, the Corporation shall at all times remain party to the Continuing Disclosure Certificate, or if the Continuing Disclosure Certificate terminates, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Corporation agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Certificate. Notwithstanding any other provision of this 2022 Agreement, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be an Event of Default.

Section 7.14 Purchase of All Bonds. Neither the Corporation nor any Related Person, pursuant to any arrangement, formal or informal, will purchase all of the Bonds, unless the Corporation or such Related Person delivers a favorable Opinion of Bond Counsel to the Bond Trustee and the Issuer.

Section 7.15 Environmental Matters. Since December 20, 2011 there have not been any violations of any of the hereinafter defined Environmental Regulations with respect to the Project. Without limitation on any other provisions hereof, the Corporation will indemnify and hold harmless the Issuer and the Bond Trustee from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, “Environmental Laws”): the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act of 1976, any so-called “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulations, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances) paid, incurred, suffered by or asserted against the Issuer or the Bond Trustee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, any of the Corporation: (i) the presence of any Hazardous Substances on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Substances from the Project or any part thereof, or (ii) any liens against the Project, or any part thereof, permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Corporation under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Issuer or the Bond Trustee under any Environmental Law relating to the Project. Notwithstanding any other provision of this 2022 Agreement, the covenants, indemnities and obligations provided for in this Section shall survive the payment and performance of the other obligations of the Corporation under this 2022 Agreement.

Section 7.16 Membership in Obligated Group. The Corporation hereby covenants and agrees that while the Bonds are Outstanding, it will remain an Obligated Group Member.

Section 7.17 Rating Solicitation Covenant. Commencing with the Fiscal Year during which Stable Occupancy (as defined in Supplement No. 5) occurs, the Corporation agrees that it will, not later than 120 days after each Fiscal Year, retain a Consultant, which may be the Underwriter, that has expertise in the senior living industry to assess the likelihood of whether the Corporation could obtain an Investment Grade Rating from a Rating Agency. Such assessment is to be delivered to the Bond Trustee. The Corporation agrees to provide to such Consultant such information as it may reasonably request in order to assist it in making such assessment. If such Consultant determines that such rating is obtainable, the Corporation agrees that it will, at the Corporation’s sole expense, solicit and make a good faith effort to obtain such rating, and the Corporation is to notify the Bond Trustee if a rating has been obtained or not.

[End of Article VII]

ARTICLE VIII ASSIGNMENT AND LEASING

Section 8.1 Assignment and Leasing by Corporation. This 2022 Agreement may be assigned, and all or any portion of the Project may be leased by the Corporation without the consent of either the Issuer or the Bond Trustee, but with the prior written consent of Majority Bondholders, provided that each of the following conditions is complied with:

(a) No assignment or leasing shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment or leasing the Corporation shall continue to remain primarily liable for payment of the loan payments and other payments specified in Article V hereof and for performance and observance of the other covenants and agreements contained herein; provided that if the Corporation withdraws from the Obligated Group (as defined in the Master Indenture) and is released from its obligations on the Series 2022A Obligation by the Master Trustee pursuant to the Master Indenture, the Corporation shall also be released from its liability for its obligations hereunder, including payment of the loan payments and other payments specified in Article V hereof and the performance and observance of the other covenants and agreements contained herein.

(b) The assignee or lessee shall assume in writing the obligations of the Corporation hereunder to the extent of the interest assigned or leased, provided that the provisions of this subsection shall not apply to a lease of a portion of the Project or an operating contract for the performance by others of health care or medical services on or in connection with the Project, or any part thereof.

(c) The Corporation shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Bond Trustee a true and complete copy of each such assumption of obligations and assignment or lease of the Project, as the case may be.

Section 8.2 Assignment and Pledge by Issuer. Solely pursuant to the 2022 Bond Indenture, the Issuer may assign its interest in and pledge any moneys receivable under the Series 2022A Obligation and this 2022 Agreement (except in respect of certain rights to indemnification and for Administration Expenses, indemnification and payment of attorneys’ fees and expenses pursuant to Sections 5.7, 7.5 and 9.5 hereof) to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds. The Corporation consents to such assignment and pledge.

[End of Article VIII]

ARTICLE IX
FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR

Section 9.1 Failure to Perform Covenants. Upon failure of the Corporation to pay when due any payment (other than failure to make any payment on any Obligation, which default shall have no grace period) required to be made under this 2022 Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, or upon breach of any representation or warranty set forth in or incorporated in this 2022 Agreement, and continuation of such failure or breach for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer or the Bond Trustee, or upon an Event of Bankruptcy, the Issuer or the Bond Trustee shall have the remedies provided in Section 9.2 hereof.

Section 9.2 Remedies for Failure to Perform. Upon the occurrence of a failure of the Corporation to perform as provided in Section 9.1 hereof or upon an event of default under any other Bond Document, the Issuer or the Bond Trustee, as assignee or successor of the Issuer, upon compliance with all applicable law, in its discretion may take any one or more of the following steps:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Corporation to carry out any agreements with or for the benefit of the Bondholders and to enforce performance and observance of any duty, obligation, agreement or covenant of the Corporation under the Act or this 2022 Agreement or any other Bond Documents; or
- (b) by action or suit in equity require the Corporation to account as if it were the Bond Trustee of an express trust for the Issuer; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer; or
- (d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

Section 9.3 Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Bond Trustee on account of any failure to perform under Section 9.1 shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Bond Trustee, then and in every case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had been taken.

Section 9.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this 2022 Agreement or 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 shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bond Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required in Section 9.1 hereof. Such rights and remedies given the Issuer hereunder shall also extend to the Bond Trustee and the holders of the Bonds, subject to the 2022 Bond Indenture.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In the event the Issuer or the Bond Trustee should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Corporation herein or in the 2022 Bond Indenture contained, the Corporation agrees that it will on demand therefor (i) pay the Bond Trustee the reasonable fee of such attorneys and such other reasonable expenses incurred by the Bond Trustee and (ii) pay the Issuer the fee of such attorneys and such other expense incurred by the Issuer.

Section 9.6 Waivers. In the event any agreement contained in this 2022 Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this 2022 Agreement to the Bond Trustee under the 2022 Bond Indenture, the Issuer shall have no power to waive any failure to perform under Section 9.1 hereunder without the consent of the Bond Trustee.

Section 9.7 No Obligation to Enforce Reserved Rights. Notwithstanding anything to the contrary in this 2022 Agreement or the 2022 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2022 Agreement or the 2022 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2022 Agreement or the 2022 Bond Indenture, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under this 2022 Agreement and the 2022 Bond Indenture.

Section 9.8 Non-Impairment of Reserved Rights. Nothing in this 2022 Agreement shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article IX]

**ARTICLE X
PREPAYMENT OF SERIES 2022A OBLIGATION**

Section 10.1 General Option to Prepay Series 2022A Obligation. The Corporation shall have and is hereby granted the option exercisable at any time to prepay all or any portion of its payments due or to become due on any or all of the Series 2022A Obligation by depositing with the Bond Trustee for payment into the Bond Fund an amount of money or Government Obligations the principal and interest on which when due, will be equal to an amount sufficient to pay the principal of, premium, if any, and interest on any portion of the Bonds then Outstanding under the 2022 Bond Indenture, without penalty. The exercise of the option granted by this Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the 2022 Bond Indenture and the Corporation specifies the date for such redemption. In the event the Corporation prepays all of its payments due and to become due on the Series 2022A Obligation by exercising the option granted by this Section and upon payment of all fees and expenses of the Issuer and all reasonable and necessary fees and expenses of the Bond Trustee and any Paying Agent accrued and to accrue through final payment of the Bonds called for redemption as a result of such prepayment and of all Administration Expenses through final payment of the Bonds called for redemption as a result of such prepayment, this 2022 Agreement shall terminate; provided that no such termination shall occur unless all of the Bonds are no longer Outstanding.

Section 10.2 Conditions to Exercise of Option. To exercise the option granted in Section 10.1 hereof, the Corporation shall give written notice to the Issuer and the Bond Trustee which shall specify therein the date of such redemption, which date shall be not less than forty-five (45) days (or such shorter period agreed to by the Bond Trustee) from the date the notice is mailed.

[End of Article XI]

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Notices. Any notice, request or other communication under this 2022 Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

- (a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other parties if not given pursuant to (a) or (b) above. The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions (“Instructions”) given pursuant to this 2022 Agreement and delivered using electronic means (“Electronic Means”) means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder); provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee’s understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.2 Binding Effect. This 2022 Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Corporation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.2 and 11.9 hereof.

Section 11.3 Severability. In the event any provision of this 2022 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 11.4 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the 2022 Bond Indenture), the fees, charges, and expenses of the Bond Trustee, the Issuer and the Paying Agent in accordance with the 2022 Bond Indenture and this Agreement, the Administration Expenses and all other amounts required to be paid under this 2022 Agreement and the 2022 Bond Indenture, shall belong to and be paid to the Corporation by the Bond Trustee or the Issuer.

Section 11.5 Amendments, Changes, and Modifications. Except as otherwise provided in this 2022 Agreement or in the 2022 Bond Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the 2022 Bond Indenture), this 2022 Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Bond Trustee.

Section 11.6 Execution in Counterparts. This 2022 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 11.7 Payment. At such time as the principal of, premium, if any, and interest on all Bonds Outstanding under the 2022 Bond Indenture shall have been paid, or shall be deemed to be paid, in accordance with the 2022 Bond Indenture, and all other sums payable by the Corporation under this 2022 Agreement shall have been paid, the Series 2022A Obligation shall be deemed to be fully paid and shall be delivered by the Bond Trustee to the Corporation.

Section 11.8 Governing Law.

(a) Except as and to the extent provided in Section 11.8(b) below, this 2022 Agreement and all disputes, claims, defenses, controversies or causes of action (whether in contract or tort) that may be based upon, arise out of or relate hereto, including as to any representation or warranty made by the Corporation in or in connection with this 2022 Agreement or as an inducement to enter into this 2022 Agreement, shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to any conflicts of law principles.

(b) Notwithstanding Section 11.8(a) above, any disputes, claims, defenses, controversies or causes of action based upon, arising out of or relating to the following enumerated matters shall be governed by the laws of the State of Wisconsin, excluding conflicts of law principles: (i) the Issuer’s organization, existence, statutory and corporate powers, and legal and contractual capacity; (ii) the Issuer’s right to payment of its fees, costs, and expenses, including, but not limited to, attorneys’ fees, costs of investigation, and the expenses of other professionals retained by the Issuer and the reasonableness of such fees, costs, and expenses; (iii) the Issuer’s and the Issuer Indemnified Persons’ rights to indemnification from the Corporation (and the Corporation’s corresponding obligation to provide such indemnification); (iv) the Corporation’s release of the Issuer and the Issuer Indemnified Persons from liability; (v) exculpation of the Issuer and the Issuer Indemnified Persons from pecuniary liability; and (vi) the Issuer’s governmental rights, privileges and immunities.

(c) All claims of whatever character arising out of this 2022 Agreement shall be brought in any state or federal court of competent jurisdiction located in the Dane County, Wisconsin. By executing and delivering this 2022 Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any

prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.9 No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this 2022 Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any Wisconsin constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit. In making the agreements, provisions, and covenants set forth in this 2022 Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, income, and all other property therefrom, as hereinabove provided.

Section 11.10 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this 2022 Agreement, shall be a legal holiday or a day on which banking institutions in Minneapolis, Minnesota, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this 2022 Agreement.

Section 11.11 Waiver of Personal Liability. No Issuer Indemnified Persons or any director, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of any principal of, premium, if any (or redemption price) or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the 2022 Bond Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this 2022 Agreement, the 2022 Bond Indenture or any other Bond Document; but nothing herein contained shall relieve any such member, director, officer, agent or employee of the Corporation from the performance of any official duty provided by law or by this 2022 Agreement.

Section 11.12 Issuer's Performance. None of the provisions of this 2022 Agreement or the 2022 Bond Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds, the Bond Project or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2022 Agreement, the 2022 Bond Indenture, and any and every Bond executed, authenticated and delivered under the 2022 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been requested to do so by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the Issuer's expense incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2022 Bond Indenture, including but, not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2022 Bond Indenture and (ii) upon any written certification or opinion furnished

to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2022 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2022 Bond Indenture that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.13 No Individual Liability. No covenant or agreement contained in this 2022 Agreement or the 2022 Bond Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors or the governing body of the Corporation or the Bond Trustee or of any officer, director, trustee, agent or employee of the Issuer, the Bond Trustee or the Corporation, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement or any assessment or penalty, or otherwise.

Section 11.14 Survival of Covenants. All covenants, agreements, representations and warranties made by the Corporation in this 2022 Agreement, the 2022 Bond Indenture, the Series 2022A Obligation and the Bonds, and in any certificates or other documents or instruments delivered pursuant to this 2022 Agreement or the 2022 Bond Indenture, shall survive the execution and delivery of this 2022 Agreement, and the 2022 Bond Indenture and the Series 2022A Obligation and shall continue in full force and effect until the Bonds and the Series 2022A Obligation are paid in full and, notwithstanding such payment in full, all of the Corporation's other payment obligations (including without limitation the indemnification obligation under Section 7.5 and the obligations under Sections 5.5, 5.7 and 9.5 hereof) under this 2022 Agreement, the 2022 Bond Indenture, the Series 2022A Obligation and the Bonds shall continue in full force and effect until satisfied. All such covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Corporation.

Section 11.15 Survival of Provisions. The provisions of this 2022 Agreement and the 2022 Bond Indenture and any other document in connection with the issuance of the Bonds to which the Issuer is a party concerning (i) the tax-exempt status of the Bonds (including, but not limited to, provisions concerning rebate); (ii) the interpretation of this 2022 Agreement; (iii) governing law, jurisdiction and venue; (iv) the Issuer's right to rely on written representations of others contained herein or in any other document or instrument issued or entered into in respect of the Bonds, regardless of whether the Issuer is a party thereto; (v) the indemnification rights and exculpation from liability of the Issuer and the Issuer Indemnified Persons; (vi) the indemnity and limitation of liability of the Bond Trustee; and (vii) any other provision of this 2022 Agreement not described or enumerated above that expressly provides for its survival, shall survive and remain in full force and effect notwithstanding the payment or redemption in full, or defeasance of the Bonds, the discharge of the 2022 Bond Indenture, and the termination or expiration of this 2022 Agreement.

Section 11.16 Assignments. This 2022 Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Bond Trustee its rights under this 2022 Agreement (except its Reserved Rights) and the Corporation may assign its rights under this 2022 Agreement as provided by Section 8.1 hereof.

Section 11.17 Rights of Bond Trustee. The Bond Trustee shall have and be protected by all of the rights, powers, immunities, privileges, and other protections provided to the Bond Trustee under the 2022 Bond Indenture which are hereby incorporated herein by reference.

Section 11.18 Receipt of and Compliance with 2022 Bond Indenture. The Corporation acknowledges that it has received an executed copy of the 2022 Bond Indenture, and accepts and agrees to the provisions thereof, including, without limitation, the provisions of Section 9.02 of the 2022 Bond Indenture with respect to compensation and indemnification of the Bond Trustee, and agrees that it will

take all such actions as are required or contemplated of it under the 2022 Bond Indenture to preserve and protect the rights of the Bond Trustee, the Issuer and of the Holders thereunder and that it will not take any action which would cause a default or Event of Default thereunder. It is agreed by the Corporation and the Issuer that all redemption of Bonds prior to maturity shall be effected as provided in the 2022 Bond Indenture. The Corporation hereby agrees that its interest in the Property and its rights hereunder are subject to and subordinated to the interest and rights of the Bond Trustee under the 2022 Bond Indenture and acknowledges that the Bond Trustee has entered into the 2022 Bond Indenture in reliance upon the assignment to the Bond Trustee of the Issuer's rights under this 2022 Agreement and the Corporation's provision of indemnity. The Corporation covenants that it will perform all of the Issuer's obligations and covenants under the 2022 Bond Indenture to the extent that they can be performed by the Corporation thereunder. The Corporation further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this 2022 Agreement and will hold the Issuer harmless from any liabilities thereunder. The Corporation further covenants that it will perform all of the duties and obligations of the Corporation that are set forth in the 2022 Bond Indenture.

Section 11.19 Usury and Total Interest. This 2022 Agreement is subject to the express condition, and it is agreed, that at no time shall payment of the Series 2022A Obligation hereunder or under the other the 2022 Bond Indenture that are or are construed to be payments of interest on the unpaid principal amount of the Bonds reflect interest that is borne at a rate in excess of 13% per annum. The Corporation shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this 2022 Agreement or the 2022 Bond Indenture the Corporation is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. This 2022 Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 11.20 Third-Party Beneficiaries. Notwithstanding anything to the contrary herein, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2022 Agreement entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, the Issuer and the Corporation have caused this 2022 Agreement to be executed in their respective corporate names, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

**SAMARITAN HOUSING FOUNDATION,
INC., d/b/a Searstone Retirement Community**

By: _____
President

EXHIBIT A

PROJECT DESCRIPTION

The Project consisted of:

- (a) the construction of an approximately 10,000 square foot expansion to add approximately 15 health care beds to the Community;
- (b) improvements to the landscaping of the Community; and
- (c) the acquisition of land for the expansion of the Community subsequently financed with the Series 2021 Bonds.

EXHIBIT B
FORM OF REQUEST FOR COST OF ISSUANCE DISBURSEMENT

NO. ____

Name of Payee

SCHEDULE I

Nature of Disbursement

Amount

UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services

Re: Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series
2022A (Forward Delivery)

Ladies and Gentlemen:

This request for disbursement is submitted to you pursuant to Section 4.2 of the Loan Agreement (the "Loan Agreement") dated as of March 1, 2022, between the Public Finance Authority and Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community (the "Corporation") relating to the above-captioned Bonds. You are hereby requested to make the disbursements from the Cost of Issuance Fund for the payment of Costs of Issuance, as defined and provided in the Loan Agreement, shown on Schedule I hereto.

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community

Date: _____ By: _____
Authorized Officer

PUBLIC FINANCE AUTHORITY
AND
SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT COMMUNITY

LOAN AGREEMENT

Dated as of March 1, 2023

\$(Amount)
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2023A
(Forward Delivery)

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(THIS TABLE OF CONTENTS IS NOT A PART OF THIS
LOAN AGREEMENT AND IS ONLY FOR CONVENIENCE OF REFERENCE)

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of March 1, 2023 (this “2023 Agreement”), between the **PUBLIC FINANCE AUTHORITY** (the “Issuer”), a joint powers commission under the Act (as hereinafter defined), the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin, and **SAMARITAN HOUSING FOUNDATION, INC.**, a nonprofit corporation duly organized and existing under the laws of the State of Georgia and authorized to conduct business in the State of North Carolina as “Searstone Retirement Community” (the “Corporation”);

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2012, between the Issuer and Wells Fargo Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2012A, its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012B, and its Entrance Fee Principal Redemption Bonds (SearStone CCRC Project) Series 2012C Taxable (collectively, the “Series 2012 Bonds”), none of which remains currently outstanding, to finance the 2012 Project (as defined herein and described on Exhibit A), owned and operated by the Corporation, and to fund a debt service reserve fund, fund capitalized interest, and pay cost of issuance; and

WHEREAS, the proceeds of the Series 2012 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2012, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds was evidenced by the Corporation’s Series 2012A Obligation, Series 2012B Obligation, and Series 2012C Obligation, all of which have been paid in full, issued under the Master Trust Indenture, dated as of June 1, 2012 (the “Original Master Indenture”), between the Corporation and UMB Bank, National Association, as successor master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (SearStone CCRC Project) Series 2016, none of which remains currently outstanding (the “Series 2016 Bonds”), to (a) finance the acquisition, design, construction, furnishing and equipping of an addition of 15 beds to the Community’s (as defined herein) health center, improvements to the Community’s landscaping, and the acquisition of land for the expansion of the Community subsequently financed with the Series 2021 Bonds (as defined below), and (b) fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2016 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2016, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds was evidenced by the Corporation’s Series 2016 Obligation (the “Series 2016 Obligation”), which has been paid in full, issued under the Original Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 2, dated as of December 1, 2016, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Refunding Revenue Bonds (SearStone CCRC Project) Series 2017A, of which \$71,525,000 in aggregate principal amount remains currently outstanding (the “Series 2017A Bonds”), and its Revenue Bonds (SearStone CCRC Project) Series 2017B, of which \$2,320,000 in aggregate principal amount remains currently outstanding (the

“Series 2017B Bonds” and together with the Series 2017A Bonds, the “Series 2017 Bonds”), to defease and refund all of the Series 2012 Bonds that then remained outstanding, finance the 2017 Project (as defined herein and described on Exhibit A), fund a debt service reserve fund, and pay costs of issuance; and

WHEREAS, the proceeds of the Series 2017 Bonds were lent to the Corporation under a Loan Agreement, dated as of December 1, 2017, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2017 Bonds was evidenced by the Corporation’s Series 2017 Master Obligation, issued under the Amended and Restated Master Trust Indenture dated as of December 1, 2017, between the Corporation and the Master Trustee (the “2017 Master Indenture”), as supplemented by Supplemental Indenture Number 3, dated as of December 1, 2017, between the Corporation and the Master Trustee; and

WHEREAS, as of July 31, 2019, (a) the 2017 Master Indenture was amended and restated pursuant to the Second Amended and Restated Master Trust Indenture dated as of such date, between the Corporation and the Master Trustee (the “Master Indenture”); (b) Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); (c) Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of such date (“Supplemental Indenture Number 2”); and (d) Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of such date (“Supplemental Indenture Number 3”); and

WHEREAS, pursuant to an Indenture of Trust, dated as of June 1, 2020, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), none of which remain outstanding, the proceeds of which were used to (a) finance certain preliminary and initial costs of the 2021 Project (as defined in the 2021 Bond Indenture (as defined below)), (b) fund capitalized interest on the Series 2020 Bonds, (c) fund a portion of the Parity Debt Service Reserve Fund (as defined herein), and (d) pay a portion of the costs of issuing the Series 2020 Bonds; and

WHEREAS, the proceeds of the Series 2020 Bonds were lent to the Corporation under a Loan Agreement, dated as of June 1, 2020, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds was evidenced by the Corporation’s Series 2020 Master Obligation (the “2020 Obligation”), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the “2021 Bond Indenture”), dated as of October 1, 2021, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Revenue Bonds (Searstone CCRC Project) Series 2021A in the aggregate principal amount of \$[2021A Amount] (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-1 in the aggregate principal amount of \$[2021B-1 Amount] (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2020B-2 in the aggregate principal amount of \$[2021B-2 Amount] (the “Series 2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable, in the aggregate principal amount of \$[2021C Amount] (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “Series 2021 Bonds”), all of which remain outstanding, the proceeds of which were used to finance certain costs of the 2021 Project, (b) refund all then outstanding

Series 2020 Bonds, (c) fund capitalized interest on the Series 2021 Bonds, (d) fund a portion of the Parity Debt Service Reserve Fund, (e) fund a debt service reserve fund created under the 2021 Bond Indenture to secure the Series 2021B-1 Bonds, Series 2021B-2 Bonds, and Series 2021C Bonds, and (f) pay a portion of the costs of issuing the Series 2021 Bonds; and

WHEREAS, the proceeds of the Series 2021 Bonds were lent to the Corporation under a Loan Agreement, dated as of October 1, 2021, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds was evidenced by the Corporation's Series 2021 Obligations (the "Series 2021 Obligations"), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee; and

WHEREAS, pursuant to an Indenture of Trust (the "2022 Bond Indenture"), dated as of March 1, 2022, between the Issuer and UMB Bank, National Association, as trustee, the Issuer issued its Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) in the aggregate principal amount of \$[2022A Amount] (the "Series 2022A Bonds"), all of which remain outstanding, the proceeds of which were used to (a) refund the Series 2016 Bonds and (b) pay a portion of the costs of issuing the Bonds; and

WHEREAS, the proceeds of the Series 2022A Bonds were lent to the Corporation under a Loan Agreement, dated as of March 1, 2022, between the Issuer and the Corporation, and the obligation of the Corporation thereunder to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2022A Bonds was evidenced by the Corporation's Series 2022A Obligation (the "Series 2022A Obligation"), issued under the Master Indenture, as supplemented by Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee; and

WHEREAS, the Corporation has applied for the financial assistance of the Issuer for the purpose of refinancing the 2012 Project and 2017 Project (collectively, the "Project") by refunding all of the outstanding Series 2017 Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, the Issuer has authorized the issuance of its revenue bonds, to be designated as "Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery)," in the aggregate principal amount of \$[Amount] (the "Bonds") to (a) refund the Refunded Bonds and (b) pay a portion of the costs of issuing the Bonds (collectively, the "Bond Project"); and

WHEREAS, the Project is located within the territorial limits of the Town of Cary, Wake County, North Carolina, and the Town of Cary has approved the issuance of the Bonds; and

WHEREAS, the financing of the Bond Project will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the Project is located; and

WHEREAS, the obligation of the Corporation to make loan payments under this 2023 Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds will be evidenced by the Corporation's Series 2023A Obligation, in the principal amount of \$[Amount], payable to the Issuer (the "Series 2023A Obligation"), issued under the Master Indenture, as previously supplemented and as supplemented by Supplemental Indenture Number 7 ("Supplement Number 7"), dated as of March 1, 2023, between the Corporation and the Master Trustee; and

WHEREAS, the Series 2023A Obligation is an Additional Master Obligation, as defined in the Master Indenture, ranking on a parity with and equally secured with the Series 2021 Obligations and the Series 2022A Obligation; and

WHEREAS, the Issuer and the Corporation have each duly authorized the execution, delivery and performance of this 2023 Agreement; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

“2012 Project” means the 2012 Project to be refinanced by the Bonds as described in Exhibit A hereto.

“2017 Project” means the 2017 Project to be refinanced by the Bonds as described in Exhibit A hereto.

“2023 Agreement” means this 2023 Agreement and any amendments and supplements hereto made in conformity herewith and with the 2023 Bond Indenture.

“2023 Bond Indenture” means the Indenture of Trust dated as of March 1, 2023 between the Issuer and the Bond Trustee pursuant to which the Bonds are being issued, including any indentures supplemental thereto made in conformity therewith.

“Account” means any account established within a Fund.

“Act” means Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended from time to time.

“Administration Expenses” means the fees and expenses incurred by the Issuer pursuant to this 2023 Agreement and the 2023 Bond Indenture, including, but not limited to, the amounts described in Section 5.7 hereof.

“Affiliate” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Aggregate Principal Amount” means the outstanding principal amount plus, in the case of a security sold at a discount to the purchaser thereof the accreted value of such discount calculated in accordance with the documents authorizing such security, or if not so defined, generally accepted accounting principles.

“Authorized Corporation Representative” means the person or persons at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Bond Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Denominations” means, with respect to the Bonds, the denomination of \$25,000 or any integral multiple of \$5,000 in excess thereof; provided, however, that any beneficial owner of Bonds shall be allowed to purchase, transfer, or sell such Bonds in multiples of \$5,000 as long as, upon completion of such purchase, transfer or sale, each beneficial owner owns at least \$25,000 of principal amount of the Bonds. In the event the Bonds receive an Investment Grade Rating from at least one Rating Agency, the

Issuer shall direct the Bond Trustee, upon a written request from the Corporation, to reduce the minimum denomination for the Bonds to \$5,000 or any integral multiple thereof.

“Authorized Signatory” means any officer, director or other Person designated by resolution of the Board of Directors of Issuer (whether such resolution is adopted in connection with the issuance of the Bonds or otherwise) or by Issuer’s Bylaws as an ‘Authorized Signatory’ empowered to, among other things, execute and deliver on behalf of Issuer the 2023 Bond Indenture, this 2023 Agreement, and the Bonds.

“Beneficial Owner” means the owners of beneficial ownership interests in the Bonds purchased through participants of the Securities Depository. Beneficial Ownership shall be proved as provided in Section 11.01 of the 2023 Bond Indenture.

“Board” or “Board of Directors” means the governing body of the Issuer.

“Bonds” means the Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery),” in the aggregate principal amount of \$[Amount] issued pursuant to the 2023 Bond Indenture.

“Bond Counsel” means Robinson, Bradshaw & Hinson, P.A., and its successors or such other nationally recognized bond counsel as may be selected by the Corporation and reasonably acceptable to the Issuer and the Bond Trustee.

“Bond Documents” means this 2023 Agreement, the 2023 Bond Indenture, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, and the Deed of Trust.

“Bond Fund” means the Bond Fund created in Section 3.02 of the 2023 Bond Indenture.

“Bond Project” has the meaning given to such term in the recitals above.

“Bondholder” or “Owner of the Bonds” mean the registered owner of any fully registered Bond.

“Bond Trustee” means UMB Bank, National Association, being the registrar, a paying agent and the Bond Trustee under the 2023 Bond Indenture, or any successor corporate trustee.

“Business Day” means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Minneapolis, Minnesota (or, if different, in the city in which the designated corporate trust office of the Bond Trustee is located), a day on which banking institutions are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certified Resolution” means a resolution duly adopted by the Board of Directors, certified by an authorized signatory.

“Closing Date” means the date on which the Bonds are delivered to the purchaser or purchasers thereof and payment is received by the Bond Trustee.

“Code” means the Internal Revenue Code of 1986, as amended.

“Community” means the continuing care retirement community known as “Searstone” located at 17001 Searstone Drive, Cary, North Carolina 27513, in the Town of Cary, Wake County, North Carolina.

“Corporation” means Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation authorized to conduct business in the State of North Carolina as “Searstone Retirement Community”, and any and all successors thereto in accordance with the Master Indenture.

“Costs of Issuance” means all costs and expenses incurred by the Issuer or the Corporation in connection with the issuance and sale of the Bonds, including without limitation (i) fees and expenses of accountants, attorneys, engineers, and financial advisors, (ii) materials, supplies, and printing and engraving costs, (iii) recording and filing fees and (iv) rating agency fees.

“Cost of Issuance Fund” means the Cost of Issuance Fund created under Section 3.17 of the 2023 Bond Indenture.

“Deed of Trust” means the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021, from the Corporation to Stewart Title Company, as deed of trust trustee for the use and benefit of the Master Trustee, as the same may be amended in accordance with its provisions.

“Delivery Date” means the date the Bonds are delivered to the initial purchasers against payment therefor.

“Determination of Taxability” means:

(a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that an Event of Taxability has occurred,

(b) the deposit by the Corporation with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the Date of Taxability; the Corporation will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability,

(c) the rendering of a final and unappealable decision, judgment, decree, or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred, or

(d) the deposit by Bond Counsel with the Bond Trustee of an unqualified opinion to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Bonds is excluded from gross income for purposes of federal income taxation.

“Event of Bankruptcy” means the occurrence of any of the following events: (i) the Corporation shall become insolvent or the subject of insolvency proceedings or shall file a petition or other pleading seeking an “order for relief” within the meaning of the United States Bankruptcy Code, or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation of assets or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Corporation, or of substantially all of the assets of the Corporation, or shall make a general assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts generally as they become due; or (ii) a petition or other pleading shall be filed against the Corporation seeking an “order for relief” within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation of assets or similar relief under any present or future law or regulation, and shall remain un-dismissed or un-stayed for an aggregate period of ninety (90) days (whether or not consecutive), or, by an order or decree of a court of competent jurisdiction, the Corporation shall become the subject of an “order for relief” within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or

other pleading, or, by order or decree of such court, there shall be appointed, without the consent or acquiescence of the Corporation, a trustee in bankruptcy or reorganization or a receiver or liquidator of the Corporation or of all or any substantial part of the property of the Corporation, and any such order or decree shall have continued un-vacated, un-stayed on appeal or otherwise and in effect for a period of ninety (90) days.

“Event of Default” means those defaults specified in Section 9.1 hereof and Section 8.01 of the 2023 Bond Indenture.

“Event of Taxability” means any conditions or circumstances that cause the interest on any of the Bonds to become includable in the gross income of the Beneficial Owner thereof for federal income tax purposes.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“Existing Liens” means the exceptions listed in Schedule B, Part I, to the Loan Policy of Title Insurance insuring the Deed of Trust, as endorsed or proposed to be endorsed through the date of this 2023 Agreement.

“Fitch” means Fitch Inc., or any successor thereto maintaining a rating on the Bonds.

“Funds” means the Bond Fund and the Costs of Issuance Fund.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including (in the case of direct obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the Corporation of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Governmental Unit” shall have the meaning set forth in Section 150 of the Code.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; and any applicable State environmental statutes, rules and regulations; (d) any other chemical, material

or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Project or the owners and/or occupants of property adjacent to or surrounding the Project, or any other person coming upon the Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Indemnified Persons” means the Issuer, the Issuer Indemnified Persons, the Bond Trustee, and the Trustee Indemnified Persons.

“Interest Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2023 Bond Indenture.

“Interest Payment Date” means (i) as to the Bonds, each June 1 and December 1, commencing June 1, 2023, or, if such day is not a Business Day, the immediately succeeding Business Day.

“Investment Grade Rating” means a rating (without regard to gradations within such rating category) of “BBB” or higher by Standard & Poor’s or Fitch or “Baa” or higher by Moody’s.

“Issuer” means the Public Finance Authority and its successors and assigns.

“Issuer Indemnified Persons” means, collectively, the Sponsors, the Members and each and all of the Issuer’s, the Sponsor’s and the Members’ respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Signatories, attorneys, contractors, subcontractors, agents and advisers (including, without limitation, counsel and financial advisers) and each of their respective heirs, successors and assigns.

“Issuer’s Annual Fee” means the Issuers annual administration fee determined and payable in the amounts and at the times specified in Section 5.7 of this 2023 Agreement.

“Issuer’s Fees and Expenses” means those fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the under the 2023 Bond Indenture and this 2023 Agreement and all taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received under the 2023 Bond Indenture or this 2023 Agreement or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer, at the Corporation’s expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer.

“Joint Exercise Agreement” means the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 by and among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin and the City of Lancaster, Wisconsin, as such agreement may be amended from time to time.

“Majority Bondholders” means the Beneficial Owner or Beneficial Owners of a majority in aggregate principal amount of the Bonds.

“Master Indenture” means the Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, between the Corporation and the Master Trustee, including Supplement Number 1, Supplement Number 2, Supplement Number 3, Supplement Number 4, Supplement Number 5, Supplement Number 6, Supplement Number 7, and any additional supplements or amendments thereto and modifications thereof.

“Master Trustee” means UMB Bank, National Association, as trustee under the Master Indenture, and its successors as trustee thereunder.

“Maximum Rate” means the not to exceed interest rate stated in the resolution of the Board of Directors of the Issuer authorizing the issuance of the Bonds (24% per annum).

“Members” means the parties to the Joint Exercise Agreement and any political subdivision that has been designated in the past, or from time to time in the future is designated, as a member of the Issuer pursuant to the Joint Exercise Agreement.

“Moody’s” means Moody’s Investors Service, Inc., or any successor thereto maintaining a rating on the Bonds.

“Obligated Group Members” has the meaning given such term in the Master Indenture.

“Obligated Group Representative” means (i) the Corporation and (ii) any surviving, resulting or transferee corporation.

“Opinion of Bond Counsel” means an opinion in writing signed by legal counsel selected by the Corporation and acceptable to the Issuer and the Bond Trustee who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys, acceptable to the Bond Trustee, who may be counsel to the Corporation or other counsel.

“Outstanding” means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Bond Trustee under the 2023 Bond Indenture, except:

(a) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds (or Government Obligations to the extent permitted in Section 7.01 of the 2023 Bond Indenture) shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); 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 Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee, shall have been filed with the Bond Trustee and provided further that prior to such payment or redemption, the Bonds to be paid or redeemed shall be deemed to be Outstanding for the purpose of transfers and exchanges under Section 2.05 of the 2023 Bond Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06 of the 2023 Bond Indenture.

“Parity Debt Service Reserve Fund” means Reserve Fund No. 1 created in Section 3.06 of the Master Indenture.

“Paying Agent” means any bank or trust company, including the Bond Trustee, designated pursuant to the 2023 Bond Indenture to serve as a paying agency or place of payment for the Bonds, and any successor designated pursuant to the 2023 Bond Indenture.

“Payment Office” with respect to the Bond Trustee or other Paying Agent means the office maintained by the Bond Trustee or any affiliate of the Bond Trustee or of another Paying Agent for the payment of interest and principal on the Bonds.

“Permitted Encumbrances” has the meaning assigned to such term in the Master Indenture.

“Permitted Investments” has the meaning assigned to such term in the Master Indenture.

“Person” means an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“Principal Account” means the account of such name in the Bond Fund created in Section 3.02 of the 2023 Bond Indenture.

“Project” means, collectively, the 2012 Project and 2017 Project to be refinanced by the Bonds as described in Exhibit A hereto.

“Rating Agency” means Fitch, Inc., Moody’s or Standard & Poor’s, and any successor thereto.

“Rebate Fund” means that special fund established in the name of the Issuer with the Bond Trustee pursuant to Section 3.15 of the 2023 Bond Indenture.

“Registered Owner” or “Owners” means the person or persons in whose name or names a Bond shall be registered on books of the Issuer kept by the Bond Trustee for that purpose in accordance with the terms of the 2023 Bond Indenture.

“Regular Record Date” means for the Bonds the fifteenth (15th) day of the month preceding each regularly scheduled interest payment date therefor.

“Regulations” means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reserved Rights” means all of the rights of the Issuer under Sections 11.02 and 11.03 of the 2023 Bond Indenture, Sections 7.5 and 7.9 hereof and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Issuer’s rights thereunder and under this 2023 Agreement to (i) inspect books and records; (ii) give or receive notices, approvals, consents, requests, and other communications; (iii) receive payment or reimbursement for expenses, including, without limitation, “Administration Expenses” as defined in this 2023 Agreement and the Issuer’s Annual Fee; (iv) immunity from and limitation of liability; (v) indemnification by the Corporation or any other Person; and (vi) further, to enforce, in its own name and on its own behalf, those provisions hereof and of the 2023 Bond Indenture and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Issuer or any Issuer Indemnified

Person. For avoidance of doubt, the “Reserved Rights” referenced in clauses (iv), (v), and (vi) above, shall be interpreted broadly to encompass (but not be limited to) the rights of the Issuer Indemnified Persons to immunity from and limitation of liability and indemnification by the Corporation as provided herein and the right of any such Issuer Indemnified Person to enforce such rights in his, her or its own name.

“Responsible Officer” when used with respect to the Bond Trustee means an officer in the Corporate Trust Department of the Bond Trustee having direct responsibility for administration of the 2023 Bond Indenture.

“Securities Depository” means The Depository Trust Company, New York, New York, and any successor thereto as permitted by the 2023 Bond Indenture.

“Series 2023A Obligation” means the Series 2023A Obligation of the Corporation, dated the Closing Date, in the principal amount of \$[Amount], payable to the Bond Trustee and issued under Supplement Number 7.

“Special Record Date” means a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 of the 2023 Bond Indenture.

“Sponsor” means the National League of Cities, the National Association of Counties, the Wisconsin Counties Association, the League of Wisconsin Municipalities, and any other Person that holds itself out, or is identified by the Issuer, as an organization sponsoring the Issuer.

“Standard & Poor’s” means S&P Global Ratings, Standard & Poor’s Financial Services, LLC business, or any successor thereto maintaining a rating on the Bonds.

“State” means the State of Wisconsin.

“Supplement Number 1” means Amended and Restated Supplemental Indenture Number 1, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 2” means Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 3” means Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 4” means Supplemental Indenture Number 4, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 5” means Supplemental Indenture Number 5, dated as of October 1, 2021, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 6” means Supplemental Indenture Number 6, dated as of March 1, 2022, between the Obligated Group Representative and the Master Trustee.

“Supplement Number 7” means Supplemental Indenture Number 7, dated as of March 1, 2023, between the Obligated Group Representative and the Master Trustee.

“Tax Agreement” means the Tax Certificate and Agreement dated the date of issuance of the Bonds, executed by the Issuer and the Corporation.

“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, or corresponding provisions of federal income tax laws from time to time in effect.

“Trust Estate” means the property pledged and assigned to the Bond Trustee pursuant to the granting clauses of the 2023 Bond Indenture.

“Trustee Indemnified Persons” means and the Bond Trustee and its officers, directors, employees and agents.

“Underwriter” means Herbert J. Sims & Co., Inc., as the underwriter of the Bonds.

[End of Article I]

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer represents that:

The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) **Organization and Authority.** The Issuer is a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and validly existing under the laws of the State; and has full power and authority under the Act to adopt the Certified Resolution approving the Bonds and the Bond Documents; to enter into, perform its obligations under, and exercise its rights under the Bond Documents to which it is a party; and when executed and delivered by the respective parties thereto, the Bond Documents to which the Issuer is a party will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against joint powers commissions or governmental units of the State.

(b) **Official Action.** By official action of the Issuer prior to or concurrently herewith, the Issuer has authorized and approved the execution and delivery of the Bond Documents to which the Issuer is a party and the consummation by the Issuer of the transactions contemplated thereby.

(c) **Litigation.** To the knowledge of the Issuer, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Issuer seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Bond Documents to which the Issuer is a party or contesting in any way the existence of the powers of the Issuer relating to the authorization, issuance and sale of the Bonds.

(d) **Execution and Delivery of the Bonds.** The execution and delivery by the Issuer of the Bond Documents to which the Issuer is a party and compliance with the provisions on the Issuer’s part contained therein will neither (i) conflict with nor constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Bond Documents to which the Issuer is a party.

No Issuer Indemnified Person (including any Issuer Indemnified Person who executes any certificate in connection with the Bonds that restates or certifies as to the truth and accuracy thereof)

shall be individually liable for the breach by the Issuer of any representation or covenant contained in the document.

(e) **Governmental Consents.** No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any Wisconsin or federal governmental authority on the part of the Issuer is required in connection with the execution, delivery, and performance of the Bond Documents to which it is a party or the consummation of any transaction therein contemplated except as have been obtained or made and as are in full force and effect, except that no such representation is made with respect to any securities or “blue sky” filings in any state or with respect to the recording of any real estate documents or the filing of financing statements.

(f) **No Prior Pledge.** Neither the Bond Documents nor any payments to be received by the Issuer under the Bond Documents has been mortgaged, pledged, or hypothecated by the Issuer in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as security for the payment of the Bonds.

Section 2.2 Representations by the Corporation. The Corporation represents and warrants to the Issuer that, as of the date of execution of this 2023 Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Issuer or the results thereof):

(a) The Corporation is a nonprofit corporation duly incorporated and in good standing under the laws of the State of Georgia, is qualified to conduct business in the State of North Carolina, has full legal right, power and authority to enter into this 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation, and to carry out and consummate all transactions contemplated hereby and by the 2023 Bond Indenture, Supplement Number 7, the Series 2023A Obligation, the Master Indenture and the Deed of Trust, and by proper corporate action has duly authorized the execution, delivery and performance of this 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation.

(b) The officers of the Corporation executing this 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation are duly and properly in office and fully authorized to execute the same.

(c) This 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation have been duly authorized, executed and delivered by the Corporation.

(d) This 2023 Agreement and the Series 2023A Obligation, when assigned to the Bond Trustee pursuant to the 2023 Bond Indenture, will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation, including, without limitation, by the Bond Trustee in accordance with their terms for the benefit of the Beneficial Owners of the Bonds, and any rights of the Issuer and Issuer Indemnified Persons and obligations of the Corporation not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Corporation enforceable against the Corporation by the Issuer (a) in its own right or (b) in the case of the rights of any Issuer Indemnified Person (including, without limitation, the right of any Issuer Indemnified Person to indemnification and immunity from liability), by such issuer Indemnified Person in his, her, or its own right, in accordance with their respective terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’

rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation, the consummation of the transactions herein and therein and contemplated by the 2023 Bond Indenture, the Master Indenture and the Deed of Trust, and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Corporation, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of this 2023 Agreement, Supplement Number 7, and the Series 2023A Obligation, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this 2023 Agreement, the 2023 Bond Indenture, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, and the Deed of Trust, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, and the Deed of Trust, or the financial condition, assets, properties or operations of the Corporation. All tax returns (federal, state and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(h) No written information, exhibit or report furnished to the Issuer by the Corporation in its application for financing or by the Corporation or its representatives in connection with the

negotiation of this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, the Deed of Trust or any other Bond Documents, regardless of whether Issuer is a party thereto (including, without limitation, any financial statements, whether audited or unaudited, and any other financial information provided in connection therewith) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) As of the date of this 2023 Agreement, (i) the Corporation is a Tax Exempt Organization, for federal income tax purposes, (ii) the Corporation has received a determination letter from the Internal Revenue Service to the effect that it is a Tax Exempt Organization, (iii) the Corporation is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax Exempt Organization has not been adversely modified, limited, or revoked, (v) the facts and circumstances which formed the basis for the status of the Corporation, as represented to the Internal Revenue Service in the Corporation's application for a determination letter, either substantially exist for the Corporation or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code and (vi) the refinancing, ownership and operation of the Project as contemplated by the 2023 Bond Indenture and this 2023 Agreement does not adversely affect the status of the Corporation as a Tax Exempt Organization.

(j) The Corporation has good and marketable title to the Project free and clear from all encumbrances other than the Existing Liens.

(k) The Corporation complies and covenants to comply in all material respects with all applicable Environmental Regulations.

(l) Neither the Corporation nor the Project are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Corporation does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(n) The representations, warranties and covenants of the Corporation set forth in the Tax Agreement are incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

[End of Article II]

ARTICLE III TERM OF AGREEMENT

Section 3.1 Term of this 2023 Agreement. Subject to Section 11.14 herein, this 2023 Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the Bonds shall have been fully paid or provision made for such payment pursuant to the 2023 Bond Indenture and all reasonable and necessary fees and expenses of the Bond Trustee and all fees and expenses of the Issuer accrued and to accrue through final payment of the Bonds and all liabilities of the Corporation with respect to the Bonds accrued and to accrue through final payment of the Bonds have been paid.

[End of Article III]

ARTICLE IV
ISSUANCE OF THE BONDS; DISBURSEMENTS

Section 4.1 Agreement to Issue Bonds. In order to provide funds to refund the Refunded Bonds and pay Costs of Issuance, the Issuer agrees that it will issue, sell and deliver to the Underwriter, the Bonds in the aggregate principal amount of \$[Amount] and will cause the proceeds thereof to be delivered to the Bond Trustee for disposal in accordance with Section 3.01 of the 2023 Bond Indenture and the request and authorization to the Bond Trustee described in Section 2.07(d) of the 2023 Bond Indenture.

Section 4.2 Requests for Disbursements.

(a) Each payment from the Cost of Issuance Fund will be made by the Bond Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Corporation, to the payee shown on the hereinafter described request for disbursement form, upon receipt by the Bond Trustee of an application for payment in compliance with the requirements of this Section, and the Bond Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Corporation hereby covenants and agrees to indemnify and save harmless the Issuer and the Bond Trustee and their respective officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment.

(b) The Corporation shall be entitled to disbursement of moneys in the Cost of Issuance Fund to pay the Costs of Issuance and to reimburse itself for Costs of Issuance paid by the Corporation, upon presentation to the Bond Trustee of a request for disbursement signed by the Corporation and delivered as hereinafter described. The Corporation shall request disbursements from the Cost of Issuance Fund using the form attached hereto as Exhibit B, but in no event shall such a request be made more often than four times per month.

Section 4.3 Covenants Regarding Tax Exemption. The representations, warranties, and covenants of the Corporation and the Issuer set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

Section 4.4 Representations and Warranties as to Tax Exempt Status of Corporation. The Corporation hereby represents and warrants as follows:

(a) the Corporation is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(b) the purposes, character, activities and methods of operation of the Corporation have not changed materially since its organization and are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code (the “Determination”);

(c) the Corporation has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized or disclosed to the Internal Revenue Service in connection with its Determination;

(d) the Corporation has not operated since its organization in a manner that would result in it being classified as an “action” organization within the meaning of section 1.501(c)(3)-

1(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(e) with the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Corporation, no person controlled by any such individual or individuals nor any person having a personal or private interest in the activities of the Corporation has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Corporation during the current Fiscal Year and the period, if any, preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the Corporation;

(f) the Corporation will not be treated as a “private foundation” within the meaning of Section 509(a) of the Code or will be treated during any transition period as an “operating foundation” under Section 4943(j)(3) of the Code, which will exempt the Corporation from the tax on undistributed income;

(g) the Corporation has not received any indication or notice whatsoever to the effect that its exemption under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(h) the Corporation has filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has notified the Internal Revenue Service of any changes in its organization and operation since the date of its Determination;

(i) the Corporation has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and

(j) the Corporation has not taken any action, nor does it know of any action that any other person has taken, nor does it know of the existence of any condition, which would cause the Corporation to lose its exemption from taxation under Section 501(a) of the Code or cause the interest on the Bonds to become taxable to the recipient thereof because such interest is not excludable from the gross income of such recipient for federal income tax purposes under Section 103(a) of the Code.

Section 4.5 Disposition of Project. The Corporation covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation obtains an Opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax exempt status of the Bonds.

[End of Article IV]

ARTICLE V
LOAN OF BOND PROCEEDS; SERIES 2023A OBLIGATION;
PROVISION FOR PAYMENT

Section 5.1 Loan of Bond Proceeds. The Issuer hereby agrees to lend to the Corporation the proceeds of the Bonds for the purpose of financing the Bond Project. The Corporation hereby agrees to repay the loan pursuant to the conditions set forth in Section 5.2 hereof.

Section 5.2 Repayment of Loan. The Corporation agrees to pay to the Bond Trustee for the account of the Issuer all payments when due on the Series 2023A Obligation. If for any reason the amounts paid to the Bond Trustee by the Corporation on the Series 2023A Obligation, together with any other amounts available in the Bond Fund, are not sufficient to pay principal of, premium, if any, and interest on the Bonds when due, the Corporation agrees to pay the amount required to make up such deficiency.

The Corporation agrees to pay or cause to be paid to the Bond Trustee the following amounts at the following times:

(1) on or before the fifth (5th) Business Day prior to the end of each month, the amount which, together with other available funds in the Interest Account, is necessary to provide, in equal monthly installments, funds for the payment of interest on the Bonds becoming due on the immediately succeeding Interest Payment Date;

(2) on or before the fifth (5th) Business Day prior to the end of each month, commencing with June 20[___], the amount which, together with other available funds in the Principal Account, is necessary to provide, in twelve (12) equal monthly installments, funds for the payment of the principal of the Bonds becoming due on the immediately succeeding principal maturity or sinking fund redemption date; and

(3) on or before the fifth (5th) Business Day prior to each date fixed for the redemption of Bonds (other than a scheduled mandatory redemption date, for which payments are required pursuant to paragraph (2) above), an amount equal to the redemption price of the Bonds to be redeemed on such date.

Section 5.3 Credits. Any amount in any account of the Bond Fund at the close of business of the Bond Trustee on the fifteenth (15th) day immediately preceding any payment date on the Series 2023A Obligation in excess of the aggregate amount then required to be contained in such account of the Bond Fund pursuant to Section 5.2 hereof shall be credited against the payments due by the Corporation on such next succeeding principal or interest payment date on the Series 2023A Obligation.

In the event that all of the Bonds then Outstanding are called for redemption, any amounts contained in (a) the “Series 2023A Account” in the Parity Debt Service Reserve Fund, subject to Section 3.06 of the Master Indenture, and (b) the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding such redemption date shall be credited against the payments due by the Corporation on the Series 2023A Obligation, as provided below.

The principal amount of any Bonds to be applied by the Bond Trustee as a credit against any sinking fund payment pursuant to Section 5.02 of the 2023 Bond Indenture shall be credited against the obligation of the Corporation with respect to payment of installments of principal of the Series 2023A Obligation as described in Supplement Number 7.

The cancellation by the Bond Trustee of any Bonds purchased by the Corporation or of any Bonds redeemed or purchased by the Issuer through funds other than funds received on the corresponding Series 2023A Obligation shall constitute payment of a principal amount of the Series 2023A Obligation equal to the principal amount of the Bonds so cancelled. Upon receipt of written notice from the Bond Trustee of such cancellation, the Master Trustee shall at the request of the Corporation endorse on the Series 2023A Obligation such payment of such principal amount thereof.

Section 5.4 Series 2023A Obligation. Concurrently with the sale and delivery by the Issuer of the Bonds, the Corporation shall execute and deliver the Series 2023A Obligation substantially in the form set forth in Supplement Number 7.

Section 5.5 Payment of Bond Trustee’s and Paying Agent’s Fees and Expenses. The Corporation agrees to pay the reasonable and necessary fees and expenses (including attorney’s fees) of the Bond Trustee and any Paying Agents as and when the same become due, upon submission by the Bond Trustee or any Paying Agent of a statement therefor.

Section 5.6 [Intentionally Omitted].

Section 5.7 Payment of Administration Expenses. In addition to the payments on the loan from the Issuer, the Corporation shall also pay to the Issuer or to the Bond Trustee, as the case may be, “Administration Expenses,” as follows:

(a) All taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer or the Bond Trustee, at the Corporation’s expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the 2023 Bond Indenture and all amounts referred to in Section 3.12 of the 2023 Bond Indenture, as and when the same become due and payable;

(c) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee, in connection with the performance of its duties hereunder or under the 2023 Bond Indenture, to prepare audits, financial statements, reports, opinions or provide such other services required under this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation or the 2023 Bond Indenture, including, but not limited to, any audit or inquiry by the Internal Revenue Service or any other governmental body; and

(d) The Issuer’s Annual Fee and the fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, the Bonds or the 2023 Bond Indenture, including, without limitation, any and all expenses incurred in connection with the

authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this 2023 Agreement, the Master Indenture, Supplement Number 7, the Series 2023A Obligation, the Bonds or the 2023 Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of this 2023 Agreement, the Master Indenture, Supplement Number 7 and the Series 2023A Obligation.

Such Administration Expenses shall be billed to the Corporation by the Issuer or the Bond Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Bond Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after receipt of the bill by the Corporation. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Corporation for payment of the Issuer's Annual Fee under the 2023 Bond Indenture. The Issuer's Annual Fee shall be calculated and paid in semiannual installments on the six (6) month anniversary of the Closing Date and subsequently on the same day every sixth (6th) month thereafter. The amount of each semiannual payment shall be determined by multiplying (i) the principal amount of the Bonds Outstanding as of the last day of the calendar month preceding the installment payment due date by (ii) 0.03 percent (3 basis points) by (iii) one-half (1/2). The Corporation shall notify the Bond Trustee it is paying the Issuer's Annual Fee and upon receipt the Bond Trustee shall deposit such annual fee payment to the Administrative Cost Fund established by Section 3.16 of the 2023 Bond Indenture. Any invoice furnished to the Corporation by the Issuer or the bond Trustee pursuant to this Section 5.7 shall be deemed to constitute written notice under Section 9.1 sufficient to cause the 60-day period specified in Section 9.1 to commence.

Section 5.8 [Intentionally Omitted].

Section 5.9 Payees of Payments. The payments on the Series 2023A Obligation pursuant to Section 5.2 hereof shall be paid in funds immediately available at the Payment Office of the Bond Trustee, directly to the Bond Trustee for the account of the Issuer and shall be deposited into the appropriate account of the Bond Fund. The payments to be made to the Bond Trustee and the Paying Agent under Section 5.5 hereof shall be paid directly to the Bond Trustee and the Paying Agent for their own use. The payments for Administration Expenses under Section 5.7 hereof shall be paid directly to the Issuer for its own use.

Section 5.10 Obligations of Corporation Hereunder Unconditional. The obligations of the Corporation to make the payments required in Section 5.2 hereof shall be absolute and unconditional. The Corporation will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.2 hereof for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Wisconsin or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this 2023 Agreement, whether express or implied. Subject to Section 11.12 hereof, nothing contained in this Section shall be construed to release the Issuer from the performance of any agreements on its part herein contained; and in the event the Issuer shall fail to perform any such agreement, the Corporation may institute such action against the Issuer as the Corporation may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the Corporation contained herein and the Issuer shall not be required to pay any costs, expenses, damages or any amounts of whatever nature except for amounts received pursuant to this 2023 Agreement. Subject to Section 11.12 hereof, nothing herein shall be construed to impair the Corporation's right to institute an independent action for any claim that it may have against the Issuer, the Bond Trustee, any Bondholder or any other third party. The

Corporation may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect this right of possession, occupancy, and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Corporation.

Section 5.11 Closing Expenses. In addition to and without in any way limiting the Corporation's obligations to pay and indemnify the Issuer and the Issuer Indemnified Persons against fees, costs and charges arising out of or in connection with this 2023 Agreement, the Bond Documents, the Bonds or the 2023 Bond Indenture, the Corporation shall pay, upon the closing of the issuance of the Bonds and as a condition thereto: (i) to the Issuer, the Issuer's issuance fee of \$40,000 plus 0.05% of the par amount of the Bonds in excess of \$20 million (less, if applicable, any application fee heretofore paid by the Corporation to Issuer); and (ii) attorney's fees of \$30,000 incurred by the Issuer in connection with the issuance of the Bonds.

[End of Article V]

**ARTICLE VI
MAINTENANCE AND INSURANCE**

Section 6.1 Maintenance and Modifications of Project by Corporation. The Corporation may, at its own expense, cause to be made from time to time any additions, modifications or improvements to the Project provided such additions, modifications or improvements do not impair the character of the Project as a “project” within the meaning of the Act or impair the extent of the exclusion of interest on the Bonds from federal income taxation.

Section 6.2 Insurance. Throughout the term of this 2023 Agreement, the Corporation will, at its own expense, provide or cause to be provided insurance against loss or damage to the Project in accordance with the terms of the Master Indenture.

[End of Article VI]

**ARTICLE VII
SPECIAL COVENANTS**

Section 7.1 No Warranty of Merchantability, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or that the Project will continue to be suitable for the Corporation’s purposes or needs. Without limiting the effect of the preceding sentence, it is expressly agreed that in connection with each sale or conveyance pursuant to this 2023 Agreement (i) the Issuer makes NO WARRANTY OF MERCHANTABILITY and (ii) THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

Section 7.2 Right of Access to the Project. The Corporation agrees that the Issuer, the Bond Trustee, and any of their duly authorized agents shall have the right at all reasonable times upon reasonable notice to the Corporation to examine and inspect the Project to determine that the Corporation is in compliance with the terms and conditions of this 2023 Agreement; provided that any such inspection will be conducted in a manner that will minimize any intrusion on the operations of the Project.

Section 7.3 Nonsectarian Use. The Corporation agrees that no proceeds of the Bonds will be used to refinance facilities intended to be used or which are being used for sectarian purposes.

Section 7.4 Further Assurances. The Issuer and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this 2023 Agreement.

Section 7.5 Indemnification. To the fullest extent permitted by law, the Corporation hereby fully, forever and irrevocably releases from, and jointly and severally agrees to indemnify, hold harmless and defend each Indemnified Person against any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Persons, or any of them, may become subject under or any statutory law or regulation (including, without limitation, federal or state securities laws and regulations and federal tax laws or regulations) or at common law or otherwise (collectively, “Liabilities”), arising out of or based upon or in any way relating to:

- (a) the Bonds, the 2023 Bond Indenture, this 2023 Agreement, the Series 2023A Obligation or any other of the Bond Documents or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;
- (b) the performance or observance by or on behalf of the Issuer or the Bond Trustee of those things on the part of the Issuer or the Bond Trustee agreed to be performed or observed hereunder and under the 2023 Bond Indenture and the Tax Agreement;
- (c) any act or omission of the Corporation or any of its affiliates or affiliated persons, agents, contractors, servants, employees, tenants or licensees in connection with the Bond Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from formerly undertaking the planning, design, acquisition, installation or construction of, the Project or any part thereof;
- (d) any lien or charge upon payments by the Corporation to the Issuer or the Bond Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes),

assessments, impositions and other charges imposed on the Issuer or the Bond Trustee in respect of any portion of the Project;

(e) any violation of any Environmental Laws with respect to, or the release of any Hazardous Substances from, the Project or any part thereof;

(f) the defeasance and/or redemption, in whole or in part, of the Bonds;

(g) except for any information provided by the Issuer in the sections titled “THE ISSUER” and “LITIGATION – The Issuer,” any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(h) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Bonds is taxable;

(i) the Bond Trustee’s acceptance or administration of the trust of the 2023 Bond Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the Bond Documents;

(j) any injury to or death of any Person or damage to property in or upon the Project or growing out of or connected with the use, nonuse, condition or occupancy of the Project;

except (A) in the case of the foregoing indemnification of the Bond Trustee Indemnified Persons, to the extent such Liabilities are caused by the negligence or willful misconduct of such Trustee Indemnified Person; or (B) in the case of the foregoing indemnification of the Issuer and the Issuer Indemnified Persons, to the extent such Liabilities are caused by the willful misconduct of the Person seeking indemnification.

THE CORPORATION EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS SHALL BE RELEASED FROM AND INDEMNIFIED HEREUNDER AGAINST ANY AND ALL LIABILITIES ARISING FROM THE ISSUER’S OR ANY ISSUER INDEMNIFIED PERSON’S OWN NEGLIGENCE OF ANY KIND, DESCRIPTION OR DEGREE (EXPRESSLY WAIVING THE COMPARATIVE NEGLIGENCE PROVISIONS OF SECTION 895.045 OF THE WISCONSIN STATUTES AND THE STATUTORY AND COMMON LAW CONTRIBUTORY OR COMPARATIVE NEGLIGENCE LAWS OF ANY OTHER STATE OR JURISDICTION), OR BREACH OF CONTRACTUAL DUTY, WITHOUT REGARD TO OR THE NECESSITY OF ANY BREACH OR FAULT ON THE PART OF CORPORATION, EXCEPT INsofar AS AND TO THE EXTENT THAT ANY SUCH LIABILITIES ARISE FROM THE WILLFUL MISCONDUCT OF THE PERSON SEEKING INDEMNIFICATION.

In the event that any action or proceeding is brought against any Indemnified Person with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Person, shall assume the investigation and defense thereof, including the employment of counsel selected

by the Indemnified Person, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in their sole discretion; provided that the Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Person shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the fees and expenses of such separate counsel; provided, however, that such Indemnified Person may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Person a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The rights of any Persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Bond Trustee any resignation or removal. The provisions of this Section shall remain valid and in effect notwithstanding repayment of the loan hereunder or payment, redemption or defeasance of the Bonds or termination of this 2023 Agreement or the 2023 Bond Indenture.

Insofar as any document or instrument issued or delivered in connection with the Bonds (including, without limitation, the documents referred to in this Section 7.5 above) purports to constitute an undertaking by, or impose an obligation upon, the Corporation to provide indemnification to the Issuer or the Issuer Indemnified Persons, the indemnification provision or provisions of such document shall not be deemed, interpreted or construed in any way as a modification of or limitation upon the Corporation’s obligations or the rights of the Issuer and the Issuer Indemnified Persons under this Section 7.5 and the provisions of this Section 7.5 shall in every respect supersede the indemnification provisions of any such other document and shall apply thereto as if fully set forth therein.

Section 7.6 Authority of Corporation. Whenever under the provisions of this 2023 Agreement the approval of the Corporation is required, or the Issuer or the Bond Trustee are required to take some action at the request of the Corporation, such approval or such request shall be made by the Corporation unless otherwise specified in this 2023 Agreement and the Issuer or the Bond Trustee shall be authorized to act on any such approval or request and the Corporation shall have no complaint against the Issuer or the Bond Trustee as a result of any action taken.

Section 7.7 Authority of Authorized Signatory. Whenever under the provisions of this 2023 Agreement the approval of the Issuer is required such approval shall be made by the Authorized Signatory unless otherwise specified in this 2023 Agreement, and the Corporation or the Bond Trustee shall be authorized to act on any such approval and the Issuer shall have no complaint against the Corporation or the Bond Trustee as a result of any such action taken.

Section 7.8 No Personal Liability. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of any Sponsor, any Member, the State of Wisconsin, or any other political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this 2023 Agreement, the Bonds or the 2023 Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under this 2023 Agreement, and except as may result solely from Issuer’s own willful misconduct.

The Corporation hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds is the Trust Estate, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then upon notice or demand from the Bond Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest when due, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 7.9 Fees and Expenses. The Corporation agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Issuer in connection with the Bonds, including without limitation, (i) all fees required to be paid to the Issuer with respect to the Bonds, including its issuance fee of \$[] on the Closing Date, (ii) all out of pocket expenses and Costs of Issuance (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the issuance of the Bonds on the Closing Date and (iii) all out of pocket expenses (including fees and expenses of attorneys employed by the Issuer) incurred by the Issuer in connection with the enforcement of any of its rights or remedies or the performance of its duties under the 2023 Bond Indenture or this 2023 Agreement.

Section 7.10 Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person that is not an organization described in Section 501(c)(3) of the Code or a Governmental Unit or by an organization described in Section 501(c)(3) of the Code (including the Corporation) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

Section 7.11 Special Services Covenant. The Corporation shall maintain a continuing care retirement facility providing healthcare services to its residents within the territorial limits of Wake County, North Carolina, as long as any Bonds remain Outstanding; provided, however, the Issuer, upon review of such facts as it deems relevant, may, from time to time, allow the Corporation to provide alternative services which provide public benefit to the participants in the Issuer's program and its residents, or deem this special services covenant to be satisfied in whole or in part.

Section 7.12 Related Party Transactions. The Corporation shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Corporation's business and upon terms found by the governing body of the Corporation to be fair and reasonable and no less favorable to the Corporation than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 7.13 Continuing Disclosure. The Corporation, with the consent of the Issuer, has executed a Continuing Disclosure Certificate. While the Continuing Disclosure Certificate is in effect, the Corporation shall at all times remain party to the Continuing Disclosure Certificate, or if the Continuing Disclosure Certificate terminates, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Corporation agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Certificate. Notwithstanding any other provision of this 2023 Agreement, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be an Event of Default.

Section 7.14 Purchase of All Bonds. Neither the Corporation nor any Related Person, pursuant to any arrangement, formal or informal, will purchase all of the Bonds, unless the Corporation or such Related Person delivers a favorable Opinion of Bond Counsel to the Bond Trustee and the Issuer.

Section 7.15 Environmental Matters. Since December 20, 2011 there have not been any violations of any of the hereinafter defined Environmental Regulations with respect to the Project. Without limitation on any other provisions hereof, the Corporation will indemnify and hold harmless the Issuer and the Bond Trustee from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act of 1976, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulations, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances) paid, incurred, suffered by or asserted against the Issuer or the Bond Trustee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, any of the Corporation: (i) the presence of any Hazardous Substances on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Substances from the Project or any part thereof, or (ii) any liens against the Project, or any part thereof, permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Corporation under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Issuer or the Bond Trustee under any Environmental Law relating to the Project. Notwithstanding any other provision of this 2023 Agreement, the covenants, indemnities and obligations provided for in this Section shall survive the payment and performance of the other obligations of the Corporation under this 2023 Agreement.

Section 7.16 Membership in Obligated Group. The Corporation hereby covenants and agrees that while the Bonds are Outstanding, it will remain an Obligated Group Member.

Section 7.17 Rating Solicitation Covenant. Commencing with the Fiscal Year during which Stable Occupancy (as defined in Supplement No. 5) occurs, the Corporation agrees that it will, not later than 120 days after each Fiscal Year, retain a Consultant, which may be the Underwriter, that has expertise in the senior living industry to assess the likelihood of whether the Corporation could obtain an Investment Grade Rating from a Rating Agency. Such assessment is to be delivered to the Bond Trustee. The Corporation agrees to provide to such Consultant such information as it may reasonably request in order to assist it in making such assessment. If such Consultant determines that such rating is obtainable, the Corporation agrees that it will, at the Corporation's sole expense, solicit and make a good faith effort to obtain such rating, and the Corporation is to notify the Bond Trustee if a rating has been obtained or not.

[End of Article VII]

**ARTICLE VIII
ASSIGNMENT AND LEASING**

Section 8.1 Assignment and Leasing by Corporation. This 2023 Agreement may be assigned, and all or any portion of the Project may be leased by the Corporation without the consent of either the Issuer or the Bond Trustee, but with the prior written consent of Majority Bondholders, provided that each of the following conditions is complied with:

(a) No assignment or leasing shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment or leasing the Corporation shall continue to remain primarily liable for payment of the loan payments and other payments specified in Article V hereof and for performance and observance of the other covenants and agreements contained herein; provided that if the Corporation withdraws from the Obligated Group (as defined in the Master Indenture) and is released from its obligations on the Series 2023A Obligation by the Master Trustee pursuant to the Master Indenture, the Corporation shall also be released from its liability for its obligations hereunder, including payment of the loan payments and other payments specified in Article V hereof and the performance and observance of the other covenants and agreements contained herein.

(b) The assignee or lessee shall assume in writing the obligations of the Corporation hereunder to the extent of the interest assigned or leased, provided that the provisions of this subsection shall not apply to a lease of a portion of the Project or an operating contract for the performance by others of health care or medical services on or in connection with the Project, or any part thereof.

(c) The Corporation shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Bond Trustee a true and complete copy of each such assumption of obligations and assignment or lease of the Project, as the case may be.

Section 8.2 Assignment and Pledge by Issuer. Solely pursuant to the 2023 Bond Indenture, the Issuer may assign its interest in and pledge any moneys receivable under the Series 2023A Obligation and this 2023 Agreement (except in respect of certain rights to indemnification and for Administration Expenses, indemnification and payment of attorneys' fees and expenses pursuant to Sections 5.7, 7.5 and 9.5 hereof) to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds. The Corporation consents to such assignment and pledge.

[End of Article VIII]

**ARTICLE IX
FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR**

Section 9.1 Failure to Perform Covenants. Upon failure of the Corporation to pay when due any payment (other than failure to make any payment on any Obligation, which default shall have no grace period) required to be made under this 2023 Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, or upon breach of any representation or warranty set forth in or incorporated in this 2023 Agreement, and continuation of such failure or breach for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer or the Bond Trustee, or upon an Event of Bankruptcy, the Issuer or the Bond Trustee shall have the remedies provided in Section 9.2 hereof.

Section 9.2 Remedies for Failure to Perform. Upon the occurrence of a failure of the Corporation to perform as provided in Section 9.1 hereof or upon an event of default under any other Bond Document, the Issuer or the Bond Trustee, as assignee or successor of the Issuer, upon compliance with all applicable law, in its discretion may take any one or more of the following steps:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Corporation to carry out any agreements with or for the benefit of the Bondholders and to enforce performance and observance of any duty, obligation, agreement or covenant of the Corporation under the Act or this 2023 Agreement or any other Bond Documents; or

(b) by action or suit in equity require the Corporation to account as if it were the Bond Trustee of an express trust for the Issuer; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer; or

(d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

Section 9.3 Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Bond Trustee on account of any failure to perform under Section 9.1 shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Bond Trustee, then and in every case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had been taken.

Section 9.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this 2023 Agreement or 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 shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bond Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required in Section 9.1 hereof. Such rights and remedies given the Issuer hereunder shall also extend to the Bond Trustee and the holders of the Bonds, subject to the 2023 Bond Indenture.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In the event the Issuer or the Bond Trustee should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Corporation herein or in the 2023 Bond Indenture contained, the Corporation agrees that it will on demand therefor (i) pay the Bond Trustee the reasonable fee of such attorneys and such other reasonable expenses incurred by the Bond Trustee and (ii) pay the Issuer the fee of such attorneys and such other expense incurred by the Issuer.

Section 9.6 Waivers. In the event any agreement contained in this 2023 Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this 2023 Agreement to the Bond Trustee under the 2023 Bond Indenture, the Issuer shall have no power to waive any failure to perform under Section 9.1 hereunder without the consent of the Bond Trustee.

Section 9.7 No Obligation to Enforce Reserved Rights. Notwithstanding anything to the contrary in this 2023 Agreement or the 2023 Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee, in accordance with this 2023 Agreement or the 2023 Bond Indenture, shall have the right, without any direction from the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than the Reserved Rights) under this 2023 Agreement or the 2023 Bond Indenture, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under this 2023 Agreement and the 2023 Bond Indenture.

Section 9.8 Non-Impairment of Reserved Rights. Nothing in this 2023 Agreement shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Reserved Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, and regardless of any waiver or forbearance granted by the Bond Trustee in respect thereof. Any default or Event of Default in respect of the Reserved Rights may only be waived with the Issuer's written consent.

[End of Article IX]

ARTICLE X PREPAYMENT OF SERIES 2023A OBLIGATION

Section 10.1 General Option to Prepay Series 2023A Obligation. The Corporation shall have and is hereby granted the option exercisable at any time to prepay all or any portion of its payments due or to become due on any or all of the Series 2023A Obligation by depositing with the Bond Trustee for payment into the Bond Fund an amount of money or Government Obligations the principal and interest on which when due, will be equal to an amount sufficient to pay the principal of, premium, if any, and interest on any portion of the Bonds then Outstanding under the 2023 Bond Indenture, without penalty. The exercise of the option granted by this Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the 2023 Bond Indenture and the Corporation specifies the date for such redemption. In the event the Corporation prepays all of its payments due and to become due on the Series 2023A Obligation by exercising the option granted by this Section and upon payment of all fees and expenses of the Issuer and all reasonable and necessary fees and expenses of the Bond Trustee and any Paying Agent accrued and to accrue through final payment of the Bonds called for redemption as a result of such prepayment and of all Administration Expenses through final payment of the Bonds called for redemption as a result of such prepayment, this 2023 Agreement shall terminate; provided that no such termination shall occur unless all of the Bonds are no longer Outstanding.

Section 10.2 Conditions to Exercise of Option. To exercise the option granted in Section 10.1 hereof, the Corporation shall give written notice to the Issuer and the Bond Trustee which shall specify therein the date of such redemption, which date shall be not less than forty-five (45) days (or such shorter period agreed to by the Bond Trustee) from the date the notice is mailed.

[End of Article XI]

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Notices. Any notice, request or other communication under this 2023 Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

- (a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other parties if not given pursuant to (a) or (b) above. The address for notice for each of the parties shall be as follows:

Issuer: Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper and Michael LaPierre
Telephone: 925-478-4912

with copy to: von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202
Attention: Brion Winters, Esq.
Telephone: 414-287-1561

Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Telecopier: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Gerardo Balboni II, Esq.

Telephone: 404-888-9700
Telecopier: 404-888-9577

Bond Trustee: UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services
Telephone: 612-337-7007
Telecopier: 612-337-7039

Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions ("Instructions") given pursuant to this 2023 Agreement and delivered using electronic means ("Electronic Means") means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder); provided, however, that the Issuer and Corporation shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and Corporation whenever a person is to be added or deleted from the listing. If the Issuer and Corporation elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Corporation each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Corporation each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Corporation. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Corporation each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.2 Binding Effect. This 2023 Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Corporation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.2 and 11.9 hereof.

Section 11.3 Severability. In the event any provision of this 2023 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 11.4 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the 2023 Bond Indenture), the fees, charges, and expenses of the Bond Trustee, the Issuer and the Paying Agent in accordance with the 2023 Bond Indenture and this Agreement, the Administration Expenses and all other amounts required to be paid under this 2023 Agreement and the 2023 Bond Indenture, shall belong to and be paid to the Corporation by the Bond Trustee or the Issuer.

Section 11.5 Amendments, Changes, and Modifications. Except as otherwise provided in this 2023 Agreement or in the 2023 Bond Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the 2023 Bond Indenture), this 2023 Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Bond Trustee.

Section 11.6 Execution in Counterparts. This 2023 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 11.7 Payment. At such time as the principal of, premium, if any, and interest on all Bonds Outstanding under the 2023 Bond Indenture shall have been paid, or shall be deemed to be paid, in accordance with the 2023 Bond Indenture, and all other sums payable by the Corporation under this 2023 Agreement shall have been paid, the Series 2023A Obligation shall be deemed to be fully paid and shall be delivered by the Bond Trustee to the Corporation.

Section 11.8 Governing Law.

(a) Except as and to the extent provided in Section 11.8(b) below, this 2023 Agreement and all disputes, claims, defenses, controversies or causes of action (whether in contract or tort) that may be based upon, arise out of or relate hereto, including as to any representation or warranty made by the Corporation in or in connection with this 2023 Agreement or as an inducement to enter into this 2023 Agreement, shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to any conflicts of law principles.

(b) Notwithstanding Section 11.8(a) above, any disputes, claims, defenses, controversies or causes of action based upon, arising out of or relating to the following enumerated matters shall be governed by the laws of the State of Wisconsin, excluding conflicts of law principles: (i) the Issuer's organization, existence, statutory and corporate powers, and legal and contractual capacity; (ii) the Issuer's right to payment of its fees, costs, and expenses, including, but not limited to, attorneys' fees, costs of investigation, and the expenses of other professionals retained by the Issuer and the reasonableness of such fees, costs, and expenses; (iii) the Issuer's and the Issuer Indemnified Persons' rights to indemnification from the Corporation (and the Corporation's corresponding obligation to provide such indemnification); (iv) the Corporation's release of the Issuer and the Issuer Indemnified Persons from liability; (v) exculpation of the Issuer and the Issuer Indemnified Persons from pecuniary liability; and (vi) the Issuer's governmental rights, privileges and immunities.

(c) All claims of whatever character arising out of this 2023 Agreement shall be brought in any state or federal court of competent jurisdiction located in the Dane County, Wisconsin. By executing and delivering this 2023 Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any

prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 11.9 No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this 2023 Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any Wisconsin constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit. In making the agreements, provisions, and covenants set forth in this 2023 Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, income, and all other property therefrom, as hereinabove provided.

Section 11.10 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this 2023 Agreement, shall be a legal holiday or a day on which banking institutions in Minneapolis, Minnesota, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this 2023 Agreement.

Section 11.11 Waiver of Personal Liability. No Issuer Indemnified Persons or any director, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of any principal of, premium, if any (or redemption price) or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the 2023 Bond Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this 2023 Agreement, the 2023 Bond Indenture or any other Bond Document; but nothing herein contained shall relieve any such member, director, officer, agent or employee of the Corporation from the performance of any official duty provided by law or by this 2023 Agreement.

Section 11.12 Issuer's Performance. None of the provisions of this 2023 Agreement or the 2023 Bond Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or thereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds, the Bond Project or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this 2023 Agreement, the 2023 Bond Indenture, and any and every Bond executed, authenticated and delivered under the 2023 Bond Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been requested to do so by the Corporation or the Bond Trustee, and (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the Issuer's expense incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Issuer, and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer.

In complying with any provision herein or in the 2023 Bond Indenture, including but, not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Bond Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the 2023 Bond Indenture and (ii) upon any written certification or opinion furnished

to the Issuer by the Bond Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this 2023 Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the 2023 Bond Indenture that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 11.13 No Individual Liability. No covenant or agreement contained in this 2023 Agreement or the 2023 Bond Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors or the governing body of the Corporation or the Bond Trustee or of any officer, director, trustee, agent or employee of the Issuer, the Bond Trustee or the Corporation, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement or any assessment or penalty, or otherwise.

Section 11.14 Survival of Covenants. All covenants, agreements, representations and warranties made by the Corporation in this 2023 Agreement, the 2023 Bond Indenture, the Series 2023A Obligation and the Bonds, and in any certificates or other documents or instruments delivered pursuant to this 2023 Agreement or the 2023 Bond Indenture, shall survive the execution and delivery of this 2023 Agreement, and the 2023 Bond Indenture and the Series 2023A Obligation and shall continue in full force and effect until the Bonds and the Series 2023A Obligation are paid in full and, notwithstanding such payment in full, all of the Corporation's other payment obligations (including without limitation the indemnification obligation under Section 7.5 and the obligations under Sections 5.5, 5.7 and 9.5 hereof) under this 2023 Agreement, the 2023 Bond Indenture, the Series 2023A Obligation and the Bonds shall continue in full force and effect until satisfied. All such covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Corporation.

Section 11.15 Survival of Provisions. The provisions of this 2023 Agreement and the 2023 Bond Indenture and any other document in connection with the issuance of the Bonds to which the Issuer is a party concerning (i) the tax-exempt status of the Bonds (including, but not limited to, provisions concerning rebate); (ii) the interpretation of this 2023 Agreement; (iii) governing law, jurisdiction and venue; (iv) the Issuer's right to rely on written representations of others contained herein or in any other document or instrument issued or entered into in respect of the Bonds, regardless of whether the Issuer is a party thereto; (v) the indemnification rights and exculpation from liability of the Issuer and the Issuer Indemnified Persons; (vi) the indemnity and limitation of liability of the Bond Trustee; and (vii) any other provision of this 2023 Agreement not described or enumerated above that expressly provides for its survival, shall survive and remain in full force and effect notwithstanding the payment or redemption in full, or defeasance of the Bonds, the discharge of the 2023 Bond Indenture, and the termination or expiration of this 2023 Agreement.

Section 11.16 Assignments. This 2023 Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Bond Trustee its rights under this 2023 Agreement (except its Reserved Rights) and the Corporation may assign its rights under this 2023 Agreement as provided by Section 8.1 hereof.

Section 11.17 Rights of Bond Trustee. The Bond Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Bond Trustee under the 2023 Bond Indenture which are hereby incorporated herein by reference.

Section 11.18 Receipt of and Compliance with 2023 Bond Indenture. The Corporation acknowledges that it has received an executed copy of the 2023 Bond Indenture, and accepts and agrees to the provisions thereof, including, without limitation, the provisions of Section 9.02 of the 2023 Bond Indenture with respect to compensation and indemnification of the Bond Trustee, and agrees that it will

take all such actions as are required or contemplated of it under the 2023 Bond Indenture to preserve and protect the rights of the Bond Trustee, the Issuer and of the Holders thereunder and that it will not take any action which would cause a default or Event of Default thereunder. It is agreed by the Corporation and the Issuer that all redemption of Bonds prior to maturity shall be effected as provided in the 2023 Bond Indenture. The Corporation hereby agrees that its interest in the Property and its rights hereunder are subject to and subordinated to the interest and rights of the Bond Trustee under the 2023 Bond Indenture and acknowledges that the Bond Trustee has entered into the 2023 Bond Indenture in reliance upon the assignment to the Bond Trustee of the Issuer's rights under this 2023 Agreement and the Corporation's provision of indemnity. The Corporation covenants that it will perform all of the Issuer's obligations and covenants under the 2023 Bond Indenture to the extent that they can be performed by the Corporation thereunder. The Corporation further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this 2023 Agreement and will hold the Issuer harmless from any liabilities thereunder. The Corporation further covenants that it will perform all of the duties and obligations of the Corporation that are set forth in the 2023 Bond Indenture.

Section 11.19 Usury and Total Interest. This 2023 Agreement is subject to the express condition, and it is agreed, that at no time shall payment of the Series 2023A Obligation hereunder or under the other the 2023 Bond Indenture that are or are construed to be payments of interest on the unpaid principal amount of the Bonds reflect interest that is borne at a rate in excess of 13% per annum. The Corporation shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this 2023 Agreement or the 2023 Bond Indenture the Corporation is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. This 2023 Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 11.20 Third-Party Beneficiaries. Notwithstanding anything to the contrary herein, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability) each Issuer Indemnified Person is a third-party beneficiary of this 2023 Agreement entitled to enforce such rights in his, her, its or their own name.

[End of Article XI]

IN WITNESS WHEREOF, the Issuer and the Corporation have caused this 2023 Agreement to be executed in their respective corporate names, all as of the date first above written.

PUBLIC FINANCE AUTHORITY

By: _____
Assistant Secretary

**SAMARITAN HOUSING FOUNDATION,
INC., d/b/a Searstone Retirement Community**

By: _____
President

Signature Page to 2023 Agreement

Signature Page to 2023 Agreement

EXHIBIT A

PROJECT DESCRIPTION

The Project consisted of:

(a) the acquisition and construction of the Community, originally consisting of 131 independent living apartments, 38 independent living estate homes, 8 assisted living units and 16 skilled nursing beds and related common areas (the “2012 Project”); and

(b) certain pre-development activities relating to the expansion at the Community financed by the Series 2021 Bonds (the “2017 Project”).

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**EXHIBIT B
FORM OF REQUEST FOR COST OF ISSUANCE DISBURSEMENT**

NO. ____

UMB Bank, National Association
120 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Corporate Trust Services

Re: Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery)

Ladies and Gentlemen:

This request for disbursement is submitted to you pursuant to Section 4.2 of the Loan Agreement (the “Loan Agreement”) dated as of March 1, 2023, between the Public Finance Authority and Samaritan Housing Foundation, Inc., d/b/a Searstone Retirement Community (the “Corporation”) relating to the above-captioned Bonds. You are hereby requested to make the disbursements from the Cost of Issuance Fund for the payment of Costs of Issuance, as defined and provided in the Loan Agreement, shown on Schedule I hereto.

SAMARITAN HOUSING FOUNDATION, INC.,
d/b/a Searstone Retirement Community

Date: _____ By: _____
Authorized Officer

B-1

SCHEDULE I

<u>Name of Payee</u>	<u>Nature of Disbursement</u>	<u>Amount</u>
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FOURTH AMENDED AND RESTATED DEED OF TRUST

Dated October 1, 2021

from

SAMARITAN HOUSING FOUNDATION, INC. Grantor,

to

STEWART TITLE COMPANY, Trustee for the benefit of

UMB BANK, NATIONAL ASSOCIATION, as Master Trustee, Beneficiary

COLLATERAL IS OR INCLUDES FIXTURES

Prepared by and after filing, please return to:
Robert B. Womble, Esq.
K&L Gates LLP
WCRD Vault Box 123
P.O. Box 17047
Raleigh, NC 27619-7047

STATE OF NORTH CAROLINA FOURTH AMENDED AND RESTATED DEED OF TRUST

WAKE COUNTY (COLLATERAL IS OR INCLUDES FIXTURES)

THIS FOURTH AMENDED AND RESTATED DEED OF TRUST (this “**Deed of Trust**”), dated October 1, 2021, is made and entered into by SAMARITAN HOUSING FOUNDATION, INC., a nonprofit corporation organized and existing under and by virtue of the laws of Georgia and doing business in the State of North Carolina as SearStone Retirement Community (the “**Corporation**”), to STEWART TITLE COMPANY, Trustee, a Texas corporation (the “**Deed of Trust Trustee**”), for the benefit of UMB BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as successor master trustee under the Master Indenture, as hereinafter defined (the “**Beneficiary**”).

SECTION I
Recitals and Conveyance

1.1 The Corporation has constructed, furnished, equipped, and currently operates a continuing care retirement community and facilities ancillary thereto (the “**Facilities**”) located on certain real property owned by the Corporation and described below (the “**Phase I Property**”):

BEING all those certain tracts or parcels of land located in Cary Township, Wake County, North Carolina and being more particularly described as follows:

BEING all of Lots 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 40, and 42, according to subdivision plat entitled "SearStone - Subdivision, Right-of-Way Dedication, and Easement Dedication" dated November 4, 2011, last revised February 28, 2012, prepared by John R. Pickens, Professional Land Surveyor, of the John R. McAdams Company, Inc., and recorded in Book of Maps 2012, Page 606, Wake County Registry, to which plat is referenced for a more particular description.

1.2 The Corporation borrowed the principal amount of \$56,135,000 (the “**2012A Loan**”) from the Public Finance Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin Statutes, commonly known as the “Joint Exercise of Powers Law” (the “**Authority**”), pursuant to the terms of a Loan Agreement, dated as of June 1, 2012, between the Authority and the Corporation (the “**2012 Loan Agreement**”).

1.3 The Corporation used the proceeds of the 2012A Loan to finance a portion of the cost of the SearStone Project (as defined in the 2012 Loan Agreement), which constitutes the acquisition, design, construction, equipping and furnishing of the Facilities.

1.4 The Authority obtained funds for the 2012A Loan through the issuance and sale of \$56,135,000 aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project), Series 2012A (the “**Series 2012A Bonds**”) pursuant to an Indenture of Trust, dated as of June 1, 2012 (the “**2012 Bond Indenture**”), between the Authority and Wells Fargo Bank, National Association, succeeded by UMB Bank, National Association, as bond trustee (the “**2012 Bond Trustee**”).

1.5 As evidence of its obligation to repay the 2012A Loan, the Corporation executed and delivered to the Authority the Searstone Series 2012A Obligation, dated the date of issuance of the Series 2012A Bonds (“**Series 2012A Obligation**”), issued pursuant to the Master Trust Indenture, dated as of June 1, 2012 (as amended or supplemented from time to time in accordance with its terms, the “**Original Master Indenture**”), between the Corporation and Wells Fargo Bank, National Association (the “**Original Master Trustee**”), succeeded by UMB Bank, National Association, as master trustee (the “**Master Trustee**”), as supplemented by the Supplemental Indenture Number 1 dated as of June 1, 2012 (the “**Original Supplement No. 1**”) between the Corporation and the Original Master Trustee. The Series 2012A Obligation was assigned by the Authority to the 2012 Bond Trustee as security for the Series 2012A Bonds.

1.6 Pursuant to the Management Agreement dated October 31, 2011 (the “**Management Agreement**”) between the Corporation and SearStone-RLA, Inc. (“**SearStone-RLA**”), a North Carolina corporation, SearStone-RLA agreed to defer a portion of its management fees in the amount of \$400,000 (the “**SearStone-RLA Deferred Fees**”), such fees have been earned, and such fees constitute Subordinated Indebtedness pursuant to the Master Indenture (as defined below).

1.7 Pursuant to the Development Consulting Service Agreement dated November 7, 2011 between the Corporation and Greenbrier Development, LLC (“**Greenbrier**”), a Delaware limited liability company, Greenbrier agreed to defer a portion of its development consulting fee in the amount of \$500,000 (the “**Greenbrier Deferred Fees**”), such fees have been earned, and such fees constitute Subordinated Indebtedness pursuant to the Master Indenture.

1.8 As evidence of its obligation to repay outstanding pre-financing capital to MatchCap™ -- Sears Farm, LLC (“**MatchCap**”) in the amount of \$6,800,000, the Corporation has executed and delivered to MatchCap a promissory note, dated the date of issuance of the Series 2012A Bonds (“**MatchCap Obligation**”), issued as Subordinated Indebtedness pursuant to the Master Indenture.

1.9 As evidence of its obligation to repay outstanding pre-financing capital provided by Sears Farm, LLC (“**Sears Farm**”) in the amount of \$2,390,000, and as evidence of its obligation to pay to Sears Farm deferred fees for rezoning the Phase I Property for the SearStone Project and owner supplied construction services in the amount of \$993,000, the Corporation has executed and delivered to Sears Farm a promissory note in the amount of \$3,383,000, dated the date of issuance of the Series 2012A Bonds (“**Sears Farm Obligation**”), issued as Subordinated Indebtedness pursuant to the Master Indenture.

1.10 Pursuant to the Marketing Consulting Services Agreement dated October 31, 2011 (the “**Marketing Agreement**”) between the Corporation and Retirement Living Associates, Inc. (“**RLA**”), a North Carolina corporation, RLA has agreed to defer a portion of its marketing fee in the amount of \$700,000 (the “**RLA Deferred Fees**”), such fees have been earned, and such fees constitute Subordinated Indebtedness pursuant to the Master Indenture.

1.11 Sears Hackney Keener & Williams, Inc. (“**SHKW**”), a North Carolina professional corporation, has agreed to defer a portion of its development consulting and architectural service fees in the amount of \$711,000 (the “**SHKW Deferred Fees**,” and together with the Searstone — RLA Deferred Fees, the Greenbrier Deferred Fees, the MatchCap Obligation, the Sears Farm Obligation, the RLA Deferred Fees and the SHKW Deferred Fees, the “**Series 2012 Subordinated Obligations**”), such fees have been earned, and such fees constitute Subordinated Indebtedness pursuant to the Master Indenture.

1.12 On December 28, 2016, the Corporation borrowed the principal amount of \$8,000,000 (the “**2016 Loan**”) from the Authority pursuant to the terms of a Loan Agreement, dated as of December 1, 2016, between the Authority and the Corporation, as amended and restated by an Amended and Restated Loan Agreement, dated July 31, 2019, between the Authority and the Corporation (the “**2016 Loan Agreement**”).

1.13 The Corporation used the proceeds of the 2016 Loan to finance a portion of the cost of the 2016 Project (as defined in the 2016 Loan Agreement), including acquiring a portion of the Phase II Property described below (the “**Phase II Property**”):

BEING all those certain tracts or parcels of land located in Cary Township, Wake County, North Carolina and being more particularly described as follows:

BEING all of Lots 36, 37, 38, and 39, according to subdivision plat entitled “SearStone - Subdivision, Right-of-Way Dedication, and Easement Dedication” dated November 4, 2011, last revised February 28, 2012, prepared by John R. Pickens, Professional Land Surveyor, of the John R. McAdams Company, Inc., and recorded in Book of Maps 2012, Page 606, Wake County Registry, to which plat is referenced for a more particular description.

-AND-

BEING all of Lot 14 on that certain exempt subdivision plat prepared by the John R. McAdams Company, Inc., dated December 9, 2011, last revised January 9, 2012, and filed February 16, 2012 at Book of Maps 2012, Page 143, Register of Deeds, Wake County, and more particularly described as follows:

Commencing at an existing iron pipe located at the southernmost corner of Lot 6, recorded in Book of Maps 2009, Page 1155, said point having NC Grid (NAD 83) coordinates of N:742,518.99 feet and E:2,045,759.95 feet; thence South 75° 51'49" East 1,037.21 feet to an iron pipe set, said point being the point of BEGINNING; thence North 07°36'11" East 156.52 feet to an iron pipe set; thence North 15°05'57" West 119.88 feet to an iron pipe set; thence North 74°54'03" East 125.00 feet to an iron pipe set; thence North 51°44'28" East 20.96 feet to an iron pipe set; thence North 80°15'39" East 93.67 feet to an iron pipe set; thence South 68°25'02" East 52.80 feet to an iron pipe set; thence North 17°31'37" East 80.67 feet to an iron pipe set; thence North 21°20'52" East 76.79 feet to an iron pipe set; thence North 33°52'54" East 99.58 feet to an iron pipe set; thence North 18°26'45" West 39.60 feet to an iron pipe set; thence North 39°23'20" East 105.98 feet to an iron pipe set; thence South 67°29'26" East 139.08 feet to an iron pipe set; thence South 29°53'35" West 159.34 feet to an existing iron pipe; thence South 23°46'26" West 9.77 feet to an existing iron pipe; thence South 29° 54'03" West 338.54 feet to an existing iron pipe; thence South 29°22'06" West 168.55 feet to an existing iron pipe; thence South 29°43'26" West 97.45 feet to an existing iron pipe; thence South 37°18'42" West 344.41 feet to an existing iron pipe; thence South 04°53'02" West 231.84 feet to an existing iron pipe; thence South 06°00'30" West 108.00 feet to an existing iron pipe; thence South 04°56'16" West 70.38 feet to an existing iron pipe; thence South 09°01'37" West 91.01 feet to an existing iron pipe; thence South 10°26'14" West 126.71 feet to an existing iron pipe; thence South 16°57'52" West 82.59 feet to an existing iron pipe; thence North 89°01'05" West 15.13 feet to an existing iron pipe; thence North 88° 42'28" West 220.80 feet to an existing iron

pipe; thence North 89°00'11" West 101.75 feet to an existing iron pipe; thence North 88°55'55" West 81.52 feet to an iron pipe set; thence North 00°04'02" East 526.37 feet to an iron pipe set; thence South 89°55'58" East 320.79 feet to an iron pipe set; thence North 00° 07'49" West 241.30 feet to an iron pipe set; thence North 89°52'11" East 87.45 feet to an iron pipe set; thence North 28°29'21" East 297.87 feet to an iron pipe set to the point of BEGINNING, containing 487,830 square feet or 11.20 acres, more or less.

1.14 The Authority obtained funds for the 2016 Loan through the issuance and sale of \$8,000,000 aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2016 (the "**Series 2016 Bonds**") pursuant to an Indenture of Trust, dated as of December 1, 2016, between the Authority and UMB Bank, National Association, as bond trustee (the "**2016 Bond Trustee**"), as amended and restated by an Amended and Restated Indenture of Trust, dated July 31, 2019 (the "**2016 Bond Indenture**"), between the Authority and the 2016 Bond Trustee.

1.15 As evidence of its obligation to repay the 2016 Loan, the Corporation executed and delivered to the Authority the Searstone Series 2016 Obligation, dated the date of issuance of the Series 2016 Bonds ("**Series 2016 Obligation**"), issued pursuant to the Original Master Indenture, as supplemented by the Supplemental Indenture Number 2 dated as of December 1, 2016 (the "**Original Supplement No. 2**") between the Corporation and the Beneficiary. The Series 2016 Obligation has been assigned by the Authority to the 2016 Bond Trustee as security for the Series 2016 Bonds.

1.16 On December 27, 2017, the Corporation borrowed the principal amount of \$77,745,000 (the "**2017 Loan**") from the Authority pursuant to the terms of a Loan Agreement, dated as of December 1, 2017, between the Authority and the Corporation, as amended and restated by an Amended and Restated Loan Agreement, dated July 31, 2019, between the Authority and the Corporation (the "**2017 Loan Agreement**").

1.17 The Corporation used the proceeds of the 2017 Loan to defease and refund the Series 2012A Bonds, finance costs of improving and/ or expanding the Facilities, fund a debt service reserve fund, and pay costs of issuing the hereinafter defined Series 2017 Bonds.

1.18 The Authority obtained funds for the 2017 Loan through the issuance and sale of \$71,730,000 aggregate principal amount of Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2017A (the "**Series 2017A Bonds**") and \$6,015,000 aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2017B (the "**Series 2017B Bonds**") and together with the Series 2017A Bonds, the "**Series 2017 Bonds**") pursuant to a Bond Trust Indenture, dated as of December 1, 2017, between the Authority and UMB Bank, National Association, as bond trustee (the "**2017 Bond Trustee**"), as amended and restated by an Amended and Restated Bond Trust Indenture, dated July 31, 2019, between the Authority and the 2017 Bond Trustee (the "**2017 Bond Indenture**").

1.19 As evidence of its obligation to repay the 2017 Loan, the Corporation executed and delivered to the Authority the Searstone Series 2017 Obligation, dated the date of issuance of the Series 2017 Bonds ("**Series 2017 Obligation**"), issued pursuant to an Amended and Restated Master Trust Indenture, dated as of December 1, 2017 (as amended or supplemented from time to time in accordance with its terms, the "**2017 Master Indenture**"), between the Corporation and the Beneficiary, which amended and restated the Original Master Indenture in its entirety, as supplemented by the Supplemental Indenture Number 3 dated as of December 1, 2017 ("**Original Supplement No. 3**") between the

Corporation and the Beneficiary. The Series 2017 Obligation has been assigned by the Authority to the 2017 Bond Trustee as security for the Series 2017 Bonds.

1.20 The Corporation and the Master Trustee have executed and delivered (a) a Second Amended and Restated Master Trust Indenture, dated July 31, 2019 (as amended or supplemented from time to time in accordance with its terms, the "**Master Indenture**"), which amended and restated the 2017 Master Indenture in its entirety, (b) an Amended and Restated Supplemental Indenture Number 1, dated July 31, 2019 ("**Supplement No. 1**"), which amended and restated Original Supplement No. 1 in its entirety, (c) an Amended and Restated Supplemental Indenture Number 2, dated July 31, 2019 ("**Supplement No. 2**"), which amended and restated Original Supplement No. 2 in its entirety, and (d) an Amended and Restated Supplemental Indenture Number 3, dated July 31, 2019 ("**Supplement No. 3**"), which amended and restated Original Supplement No. 3 in its entirety.

1.21 On June 30, 2020, the Corporation borrowed the principal amount of \$6,600,000 (the "**2020 Loan**") from the Authority pursuant to the terms of a Loan Agreement, dated as of June 1, 2020, between the Authority and the Corporation (the "**2020 Loan Agreement**").

1.22 The Corporation used the proceeds of the 2020 Loan to finance certain preliminary costs of improving and/ or expanding the Facilities, fund capitalized interest on the hereinafter defined Series 2020 Bonds, fund a debt service reserve fund, and pay costs of issuing the hereinafter defined Series 2020 Bonds.

1.23 The Authority obtained funds for the 2020 Loan through the issuance and sale of \$4,600,000 aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2020A (the "**Series 2020A Bonds**") and \$2,000,000 aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2020B (the "**Series 2020B Bonds**") and together with the Series 2020A Bonds, the "**Series 2020 Bonds**") pursuant to an Indenture of Trust, dated as of June 1, 2020 (the "**2020 Bond Indenture**"), between the Authority and UMB Bank, National Association, as bond trustee (the "**2020 Bond Trustee**").

1.24 As evidence of its obligation to repay the 2020 Loan, the Corporation executed and delivered to the Authority the Searstone Series 2020 Obligation, dated the date of issuance of the Series 2020 Bonds ("**Series 2020 Obligation**"), issued pursuant to the Master Indenture, as supplemented by the Supplemental Indenture Number 4 dated as of June 1, 2020 (the "**Supplement No. 4**") between the Corporation and the Beneficiary. The Series 2020 Obligation has been assigned by the Authority to the 2020 Bond Trustee as security for the Series 2020 Bonds, but will cease to be Outstanding upon the issuance of the hereinafter defined Series 2021 Bonds.

1.25 On ____, 2021, the Corporation borrowed the principal amount of \$____ (the "**2021 Loan**") from the Authority pursuant to the terms of a Loan Agreement, dated as of October 1, 2021, between the Authority and the Corporation (the "**2021 Loan Agreement**") and together with the 2016 Loan Agreement and the 2017 Loan Agreement, as they may be amended, amended and restated, or supplemented, the "**Loan Agreements**").

1.26 The Corporation used or will use the proceeds of the 2021 Loan to finance costs of improving and/ or expanding the Facilities, to refund all of the Series 2020 Bonds, fund capitalized interest on the hereinafter defined Series 2021 Bonds, fund one or more debt service reserve funds, and pay a portion of the costs of issuing the hereinafter defined Series 2021 Bonds.

1.27 The Authority obtained funds for the 2021 Loan through the issuance and sale of \$_____ aggregate principal amount of Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A (the “**Series 2021A Bonds**”), \$_____ aggregate principal amount of Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1 (the “**Series 2021B-1 Bonds**”), \$_____ aggregate principal amount of Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2 (the “**Series 2021B-2 Bonds**”), \$_____ and aggregate principal amount of Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable (the “**Series 2021C Bonds**” and together with the Series 2021A Bonds, the Series 2021B-1 Bonds, and the Series 2021B-2 Bonds, the “**Series 2021 Bonds**”) pursuant to an Indenture of Trust, dated as of October 1, 2021 (the “**2021 Bond Indenture**”), between the Authority and UMB Bank, National Association, as bond trustee (the “**2021 Bond Trustee**”).

1.28 As evidence of its obligation to repay the 2021 Loan, the Corporation executed and delivered to the Authority the (i) Searstone Series 2021A Obligation, dated the date of issuance of the Series 2021 Bonds (the “**Series 2021A Obligation**”) and (ii) Searstone Series 2021B-C Obligation, dated the date of issuance of the Series 2021 Bonds (the “**Series 2021B-C Obligation**”) and together with the Series 2021A Obligation, the “**Series 2021 Obligations**” and together with the Series 2016 Obligation and the Series 2017 Obligation, the “**Outstanding Master Obligations**”), issued pursuant to the Master Indenture, as supplemented by the Supplemental Indenture Number 5 dated as of October 1, 2021 (the “**Supplement No. 5**”) between the Corporation and the Beneficiary. The Series 2021 Obligations have been assigned by the Authority to the 2021 Bond Trustee as security for the Series 2021 Bonds.

1.29 The Corporation contemplates borrowing, on March 3, 2022, or at such other time as may be mutually agreed upon by the Authority, the Corporation, and Herbert J Sims & Co., Inc., a Delaware corporation, as underwriter (the “**Underwriter**”), the principal amount of \$_____ (the “**2022A Loan**”) from the Authority pursuant to the terms of a Loan Agreement, to be dated as of March 1, 2022, between the Authority and the Corporation (the “**2022A Loan Agreement**”, which when entered into and as the same may be amended, amended and restated, or supplemented, will become included within the term “**Loan Agreements**”).

1.30 The Corporation will use the proceeds of the 2022A Loan to refund all of the Series 2016 Bonds, and pay a portion of the costs of issuing the hereinafter defined Series 2022A Bonds.

1.31 The Authority will obtain funds for the 2022A Loan through the issuance and sale of \$_____ aggregate principal amount of Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2022A (Forward Delivery) (the “**Series 2022A Bonds**”) pursuant to an Indenture of Trust, to be dated as of March 1, 2022 (the “**2022A Bond Indenture**”), between the Authority and UMB Bank, National Association, as bond trustee (the “**2022A Bond Trustee**”).

1.32 As evidence of its obligation to repay the 2022A Loan, the Corporation will execute and deliver to the Authority the Searstone Series 2022A Obligation, dated the date of issuance of the Series 2022A Bonds (“**Series 2022A Obligation**”, which when entered into and as the same may be amended, amended and restated, or supplemented, will become included within the term the “**Outstanding Master Obligations**”), issued pursuant to the Master Indenture, as supplemented by the Supplemental Indenture Number 6 to be dated as of March 1, 2022 (the “**Supplement No. 6**”) between the Corporation and the Beneficiary. The Series 2022A Obligation will be assigned by the Authority to the 2022A Bond Trustee as security for the Series 2022A Bonds.

1.33 The Corporation contemplates borrowing, on March 1, 2023, or at such other time as may be mutually agreed upon by the Authority, the Corporation, and the Underwriter, as underwriter, the principal amount of \$_____ (the “**2023A Loan**”) from the Authority pursuant to the terms of a Loan Agreement, to be dated as of March 3, 2023, between the Authority and the Corporation (the “**2023A Loan Agreement**”, which when entered into and as the same may be amended, amended and restated, or supplemented, will become included within the term “**Loan Agreements**”).

1.34 The Corporation will use the proceeds of the 2023A Loan to refund all of the Series 2017 Bonds, and pay a portion of the costs of issuing the hereinafter defined Series 2023A Bonds.

1.35 The Authority will obtain funds for the 2023A Loan through the issuance and sale of \$_____ aggregate principal amount of Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project) Series 2023A (Forward Delivery) (the “**Series 2023A Bonds**”) pursuant to an Indenture of Trust, to be dated as of March 1, 2023 (the “**2023A Bond Indenture**”), between the Authority and UMB Bank, National Association, as bond trustee (the “**2023A Bond Trustee**”).

1.36 As evidence of its obligation to repay the 2023A Loan, the Corporation will execute and deliver to the Authority the Searstone Series 2023A Obligation, dated the date of issuance of the Series 2023A Bonds (“**Series 2023A Obligation**”, which when entered into and as the same may be amended, amended and restated, or supplemented, will become included within the term the “**Outstanding Master Obligations**”), issued pursuant to the Master Indenture, as supplemented by the Supplemental Indenture Number 7 to be dated as of March 1, 2023 (the “**Supplement No. 7**”) between the Corporation and the Beneficiary. The Series 2023A Obligation will be assigned by the Authority to the 2023A Bond Trustee as security for the Series 2023A Bonds.

1.37 To secure (a) the prompt payment of the principal of, redemption premium, if any, and the interest on all Master Obligations and Subordinated Indebtedness Outstanding (each as defined in the Master Indenture) from time to time, including the Outstanding Master Obligations and the Series 2012 Subordinated Obligations, and any other payments, including the purchase or redemption price of Indebtedness (as defined in the Master Indenture), required to be made under the Supplements (as defined in the Master Indenture) creating the Master Obligations or Subordinated Indebtedness and under the Master Obligations or Subordinated Indebtedness; and (b) the performance by each Member of the Obligated Group of its other obligations under the Master Indenture, the Loan Agreements, and this Deed of Trust, the Corporation is executing and delivering this Deed of Trust creating a lien on the Mortgaged Property as more fully described herein.

1.38 The Master Indenture provides that the Corporation and any other Member of the Obligated Group (as defined in the Master Indenture) may issue Additional Master Obligations (as defined in the Master Indenture) which will be equally and ratably secured with the Outstanding Master Obligations by the Master Indenture.

1.39 This Deed of Trust is given to secure all the Series 2016 Obligation, the Series 2017 Obligation, the Series 2021 Obligations, the Series 2012 Subordinated Obligations, future Additional Master Obligations (including without limitation the Series 2022A Obligation when incurred and the Series 2023A Obligation when incurred), Indebtedness, and Subordinated Indebtedness (together with all obligations secured by Section 1.38 hereof, collectively, the “**Secured Indebtedness**”). The making of future advances, which advances shall be evidenced by Additional Master Obligations or Subordinated Indebtedness, is subject to the terms and conditions of the Master Indenture and applicable law, including, but not limited to, N.C.G.S. § 45-68. The principal amount of the present obligations secured by this Deed

of Trust is ____ Dollars (\$____), and the maximum principal amount, including present and future obligations, that may be secured by this Deed of Trust at any one time is Three Hundred Fifty Million Dollars (\$350,000,000). The period within which future Master Obligations and future Subordinated Indebtedness may be incurred shall not extend more than thirty (30) years from the date of this Deed of Trust. Notwithstanding anything herein to the contrary, the Series 2012 Subordinated Indebtedness and any additional Subordinated Indebtedness are subordinate to the Series 2016 Obligation, the Series 2017 Obligation, the Series 2021 Obligation, and any Additional Master Obligations issued pursuant to the Master Indenture (including without limitation the Series 2022A Obligation when incurred and the Series 2023A Obligation when incurred), except other Subordinated Indebtedness.

1.40 This Deed of Trust amends and restates in its entirety the Amended and Restated Deed of Trust, dated July 31, 2019, from the Corporation to the Deed of Trust Trustee, for the benefit of the Master Trustee, which was recorded on August 1, 2019, at Book 017527, Pages 01892-01915, in the office of the Wake County, North Carolina Register of Deeds; which turn amended and restated in its entirety the Amended and Restated Deed of Trust, dated as of December 27, 2017, from the Corporation to the Deed of Trust Trustee, for the benefit of the Master Trustee, which was recorded on December 29, 2017, at Book 017011, Pages 0049-0070, in the office of the Wake County, North Carolina Register of Deeds; which in turn amended and restated in its entirety the Amended and Restated Deed of Trust, dated as of December 1, 2016, from the Corporation to the Deed of Trust Trustee, for the benefit of the Master Trustee, which was recorded on December 29, 2016, at Book 16653, Pages 01359-01381, in the office of the Wake County, North Carolina Register of Deeds; which in turn amended and restated in its entirety the Deed of Trust, dated as of June 1, 2012, from the Corporation to the Deed of Trust Trustee, for the benefit of the Master Trustee, which was recorded on June 14, 2012, at Book 014803, Pages 00445-00467, in the office of the Wake County, North Carolina Register of Deeds.

1.41 The lots comprising the Phase I Property and the Phase II Property have been recombined, and the hereinafter described Site includes all of the Phase I Property and Phase II Property.

1.42 Capitalized terms used herein that are not defined herein shall have the meanings given such terms in the Master Indenture and the Loan Agreements.

NOW, THEREFORE, in consideration of the premises and the indebtedness herein recited and for the sum of Ten Dollars (\$10.00) paid to the Corporation by the Deed of Trust Trustee, the receipt of which is hereby acknowledged, the Corporation has given, granted, bargained, sold and conveyed, and by these presents does give, grant, bargain, sell and convey to the Deed of Trust Trustee, its successors and assigns, in trust, with power of sale, the following real property, buildings, improvements and fixtures (herein collectively referred to as the “**Mortgaged Property**”):

(a) the Site (which consists of the tracts, parcels, or lots of land described in Exhibit A hereto and made a part hereof), together with all buildings and improvements now or hereafter located in, on or about the Site, including, but not limited to, the Facilities (such buildings and improvements being herein collectively referred to as the “**Improvements**”);

(b) all real property, buildings and improvements located in Wake County, North Carolina hereafter acquired or constructed by the Corporation (i) as an addition to or in replacement of or substitution for the Facilities (real property, buildings and improvements being deemed to be an addition to the Facilities if they comprise facilities that are functionally related to, and operated on an integrated basis with, the Facilities), including without limitation the “10’ Strip” (as such term is defined in Appendix C, Section 7(B)), to that certain Settlement Agreement among the Corporation, the Beneficiary, Sears Farm,

LLC, and William W. Sears, entered into in the Chapter 11 bankruptcy case styled as *In re Sears Farm, LLC*, case no. 18-00986-5-SWH, in the United States Bankruptcy Court for the Eastern District of North Carolina); or (ii) for which an Outstanding Master Obligation or Subordinated Indebtedness is issued pursuant to the Master Indenture to acquire or finance such real property, buildings or improvements (herein collectively referred to as the “**After-Acquired Property**”);

(c) all fixtures now or hereafter acquired and owned by the Corporation and attached to the Site or After-Acquired Property, including but not limited to all equipment, furniture, furnishings, apparatus, machinery, motors, elevators, fittings, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment, medical devices, and all other furnishings and all plumbing, heating, lighting, electrical, laundry, ventilating, refrigerating, incinerating, air-conditioning, fire and theft protection and sprinkler equipment, including all renewals and replacements thereof and all additions thereto, and all articles in substitution thereof, and all proceeds of all the foregoing in whatever form (herein collectively referred to as the “**Fixtures**”);

(d) all leases, rents, subleases, lettings, licenses, contracts and other agreements under the terms of which any person acquires any right to use or occupy the Site, the Improvements, or the After-Acquired Property, together with all Entrance Fees, deposits, guaranties, monthly service fees, security deposits, issues, profits, royalties, income and other benefits (collectively, the “**Rents**”) derived from the Site, the Improvements and the After-Acquired Property, subject to the right, power and authority hereinafter given to the Corporation to collect and apply such Rents, and the proceeds from any insurance or any condemnation award relating to the Site, the Improvements or the After-Acquired Property;

(e) all easements, rights-of-way and rights used in connection with the Site, the Improvements or the After-Acquired Property or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, including without limitation those appurtenant easements described in Exhibit A hereto and made a part hereof; and

(f) all proceeds, products, replacements, additions, substitutions, renewals and accessions of or to any of the foregoing.

SUBJECT, HOWEVER, to the matters of title, encumbrances, and Schedule B exceptions as set forth in the loan policy of title insurance covering the Site issued to the Beneficiary by Stewart Title Company (the “**Title Policy**”).

TO HAVE AND TO HOLD the Mortgaged Property to the Deed of Trust Trustee, its successors or assigns, in fee simple forever upon the trust and for the uses and purposes hereinafter set forth, subject to the matters of title, encumbrances, and Schedule B exceptions as set forth in the Title Policy.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Corporation shall pay in full the indebtedness evidenced by all Secured Indebtedness issued pursuant to the Master Indenture and secured hereby, if any, to the persons entitled thereto in accordance with their terms, together with interest and redemption premiums, if any, thereon, at the times and places thereto specified for the payment of the same, and shall fully comply with all the covenants, terms and conditions of this Deed of Trust, the Loan Agreements, the Master Indenture and any other document or instrument pursuant to which any Secured Indebtedness are issued or secured, then this conveyance shall be null and void and shall be cancelled or released of record at the request and at the cost of the Corporation.

BUT IF DEFAULT should occur in the payment of any Secured Indebtedness secured hereby, or in the terms, conditions or covenants contained in this Deed of Trust, the Master Indenture, the Loan Agreements, or any other document or instrument pursuant to which any Secured Indebtedness are issued or secured, the Secured Indebtedness shall, at the option of the Beneficiary, become at once due and payable, regardless of the respective maturity dates thereof, and it shall be lawful for, and upon the request of the Beneficiary it shall become the duty of, the Deed of Trust Trustee to advertise and sell under this Deed of Trust the Mortgaged Property in the manner hereinafter set forth.

SECTION II
Corporation's General Representations, Warranties, Covenants and Agreements

2.1 Title to Property. The Corporation warrants that it has good and marketable title to the Mortgaged Property and is lawfully seized and possessed of Mortgaged Property and every part thereof and has the right to convey the same; that the Mortgaged Property is unencumbered, except for such matters of title, encumbrances, and Schedule B exceptions set forth in the Title Policy; and that the Corporation will forever warrant and defend the title to the Mortgaged Property of the Deed of Trust Trustee against the claims of all persons whomsoever.

2.2 Payment and Performance of Outstanding Master Obligations, Subordinated Indebtedness, Master Indenture and Deed of Trust. The Corporation shall pay when due the principal of, redemption premium, if any, and the interest on all Outstanding Master Obligations, all Outstanding Subordinated Indebtedness and any other payments, including the purchase or redemption price of Indebtedness, required to be made under the Supplements creating the Outstanding Master Obligations or the Subordinated Indebtedness and under the Secured Indebtedness, and all other sums required to be paid under this Deed of Trust, the Master Indenture, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured. The Corporation shall observe and perform all the covenants, provisions, terms and conditions of all Outstanding Master Obligations, all Outstanding Subordinated Indebtedness the Master Indenture, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured and this Deed of Trust to be observed and performed by the Corporation. All of the covenants, terms, provisions, and conditions of all Outstanding Master Obligations, Outstanding Subordinated Indebtedness, the Master Indenture, and the Loan Agreements are incorporated by reference in this Deed of Trust and are made a part of the same as if fully set forth herein.

2.3 Performance of Corporation's Obligations. If at any time the Corporation should neglect, refuse or fail to perform any of its obligations set forth in this Deed of Trust and the Beneficiary performs or causes to be performed such obligations, all expenditures incurred by the Beneficiary shall be part of the indebtedness secured by this Deed of Trust. All such payments made by the Beneficiary shall constitute payments for the protection and preservation of Beneficiary's security.

2.4 Further Instruments. (a) The Corporation agrees that it will, upon closing the acquisition by the Corporation of or prior to construction on After-Acquired Property, register in the office of the Register of Deeds of Wake County, North Carolina, a notice of extension as specified in Section 47-20.5 of the General Statutes of North Carolina, as amended, containing a description of the real property covered thereby and all other information required under Section 47-20.5 of the General Statutes of North Carolina, as amended. Thereafter, the Corporation shall cause to be endorsed the loan policy of title insurance issued in favor of Beneficiary with respect to this Deed of Trust to include the After-Acquired Property as among the property interests insured thereby.

(b) Upon demand, the Corporation shall execute and deliver to the Beneficiary any further instrument or instruments, including, but not limited to, deeds of trust, security agreements, financing statements, assignments, notices of extension, or renewal or substitution obligations necessary to reaffirm, correct or perfect the evidence of the Outstanding Master Obligations hereby secured and the legal security title and lien of the Deed of Trust Trustee and the Beneficiary to all or any part of the Mortgaged Property intended to be given or conveyed under the Master Indenture whether now given or conveyed or acquired and conveyed subsequent to the date of this Deed of Trust.

2.5 Assignment of Leases and Rents.

(a) In order to further secure (i) the prompt payment of the principal of, redemption premium, if any, and the interest on all Outstanding Secured Indebtedness and any other payments, including the purchase or redemption price of Secured Indebtedness, required to be made under the Supplements creating the Secured Indebtedness and under the Secured Indebtedness, and all other sums required to be paid under this Deed of Trust, the Master Indenture, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured; and (ii) the performance by the Corporation of all the covenants, provisions, terms and conditions of all Outstanding Master Obligations, all Outstanding Subordinated Indebtedness, the Master Indenture, the Loan Agreements, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured and this Deed of Trust to be observed and performed by the Corporation, the Corporation hereby sells, assigns, transfers and sets over to the Beneficiary its rights and interest in (x) all of the Rents of, from or pertaining to the Mortgaged Property, including but not limited to all Residency Agreements and the Entrance Fees (each as defined in the Master Indenture); and (y) any and all Residency Agreements, leases, subleases, lettings, licenses, contracts and other agreements under the terms of which any person acquires any right to use or occupy the Site, the Improvements, or the After-Acquired Property that may now be in effect, as well as any future or additional Residency Agreements, leases or rental agreements, any renewals or extensions of any Residency Agreements, leases, subleases, lettings, licenses, contracts and other agreements under the terms of which any person acquires any right to use or occupy the Site, the Improvements, or the After-Acquired Property, and any renewals or extensions thereof that may be entered into by the Corporation. The Corporation hereby agrees to execute and deliver such further assignments of said Residency Agreements, leases, subleases, licenses, use, occupancy, or rental agreements as the Beneficiary may from time to time request.

(b) The Corporation shall promptly and fully keep, perform and comply with all the terms and covenants imposed upon or assumed by the Corporation under the Residency Agreements, leases, subleases, licenses, use, occupancy, and rental agreements and will not do, permit anything to be done, or omit or refrain from doing anything, the doing or omission of which will, except in the ordinary course of business, entitle any resident or tenant to terminate any of the Residency Agreements, leases, subleases, licenses, use, occupancy, or rental agreements. The Corporation, if requested by the Beneficiary, shall furnish promptly to the Beneficiary executed copies of all Residency Agreements, leases, subleases, licenses, use, occupancy, and rental agreements, now existing or hereafter created, and all renewals or extensions thereof. Except in the ordinary course of business, the Corporation shall not, without the prior written consent of the Beneficiary, cancel, surrender or terminate any of the Residency Agreements, leases, subleases, licenses, use, occupancy, or rental agreements, or exercise any option which might lead to such termination, or change, alter or modify any of the Residency Agreements, leases, subleases, licenses, use, occupancy, or rental agreements, or consent to the release of any party liable thereunder, or consent to the assignment of any resident's interest therein.

(c) This assignment is absolute and effective immediately and without possession. Notwithstanding the foregoing, the Corporation shall have a revocable license to receive, collect and enjoy the Rents accruing from the Mortgaged Property until an Event of Default (as defined below) shall have occurred and be continuing. Upon the occurrence of an Event of Default, the license shall cease automatically, without need of notice, possession, foreclosure or any other act or procedure, and all Rents assigned hereby shall thereafter be payable to the Beneficiary. The Corporation covenants that, if an Event of Default shall have occurred and be continuing, it shall, upon request of the Beneficiary, deliver or direct to be delivered to the Beneficiary all Rents from the Mortgaged Property thereafter received.

2.6 Security Interest in Fixtures. This Deed of Trust is intended to be a security agreement for the Fixtures (in addition to and not in lieu of the Master Indenture) pursuant to the North Carolina Uniform Commercial Code. In order to further secure (a) the payment when due of the principal of, redemption premium, if any, and the interest on all Outstanding Secured Indebtedness and any other payments, including the purchase or redemption price of Secured Indebtedness, required to be made under the Supplements creating the Secured Indebtedness and under the Secured Indebtedness, and all other sums required to be paid under this Deed of Trust, the Master Indenture, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured; and (b) the performance by the Corporation of all the covenants, provisions, terms and conditions of all Outstanding Master Obligations, all Outstanding Subordinated Indebtedness, the Master Indenture, the Loan Agreements, any other document or instrument pursuant to which any Secured Indebtedness are issued or secured and this Deed of Trust to be observed and performed by the Corporation, the Corporation hereby grants to the Beneficiary and the Deed of Trust Trustee a security interest in the Fixtures. The Corporation agrees that the Beneficiary may file this Deed of Trust, or a reproduction thereof, as a financing statement for the Fixtures, and the security interest in the Fixtures granted in this paragraph shall be in addition to, and not in lieu of, any lien upon and security title in the Fixtures acquired by real property law. The Corporation shall execute and record (and deliver copies thereof to the Beneficiary) financing statements in such form as are required by law or that the Beneficiary may reasonably request to the extent necessary to perfect the security interest hereunder. Upon the occurrence of an Event of Default, the Beneficiary or the Deed of Trust Trustee shall be entitled to exercise all rights and remedies of a secured party under the North Carolina Uniform Commercial Code and may proceed as to the Fixtures in the same manner as provided herein for the real property to the extent permitted by applicable law.

2.7 Corporation and Lien Not Released. The Corporation agrees that its obligations to the Beneficiary will not be diminished, and the responsibility and liability of the Corporation (or any successor thereto) to the Beneficiary for the complete performance of each of the Corporation's obligations hereunder or under any Outstanding Master Obligation, any Outstanding Subordinated Indebtedness, or any other documents submitted by the Corporation to the Beneficiary in connection with the Secured Indebtedness secured hereby shall not be released, regardless of any (a) release by the Beneficiary of any of the Corporation's successors in title to all or any part of the Mortgaged Property from liability on any Outstanding Master Obligation, any Outstanding Subordinated Indebtedness, or any other liability of the Corporation to the Beneficiary; (b) extension of time for payment of all or any part of the Outstanding Master Obligations or the Subordinated Indebtedness; (c) release by the Beneficiary of any portion of the Mortgaged Property; (d) subordination of lien; (e) forbearance on the part of the Beneficiary to collect on any Outstanding Master Obligations, any Outstanding Subordinated Indebtedness, or other liability of the Corporation to the Beneficiary or any part thereof; (f) waiver of any right granted or remedy available to the Beneficiary; or (g) action or omission by the Beneficiary.

2.8 Payment of Costs, Attorneys' Fees and Expenses.

(a) To the extent permitted by law, the Corporation shall pay any and all reasonable costs, attorneys' fees and other expenses of whatever kind incurred by the Beneficiary and any other holder of Secured Indebtedness, including any Related Bond Trustee, in connection with (i) obtaining possession of the Mortgaged Property; (ii) the protection and preservation of the Mortgaged Property; (iii) the collection of any sum or sums secured hereby; (iv) any litigation involving the Mortgaged Property, this Deed of Trust, any benefit accruing by virtue of the provisions hereof, or the rights of the Beneficiary or any other holder of Secured Indebtedness, including any Related Bond Trustee; (v) the presentation of any claim under any administrative law to be filed; (vi) any additional examination of the title to the Mortgaged Property that may reasonably be required by the Beneficiary; or (vii) taking any steps whatsoever in

enforcing this Deed of Trust, claiming any benefit accruing by virtue of the provisions hereof, or exercising the rights of the Beneficiary hereunder. Nothing contained in this paragraph shall be construed to limit the Corporation's obligation to pay costs, attorneys' fees, and expenses as provided in the Loan Agreements.

(b) Anything contained herein to the contrary notwithstanding, the obligation of the Corporation to pay attorneys' fees shall mean fees reasonable in light of the circumstances, taking into account the amount of time expended, the services provided and other appropriate criteria.

SECTION III

Environmental Representations, Warranties and Covenants

3.1 The Corporation represents and warrants to the Beneficiary and the Deed of Trust Trustee that, except as disclosed in the (a) Report of Phase I Environmental Assessment, dated February 12, 2010, by Withers & Ravenel, Cary, North Carolina, together with a Phase II Addendum dated March 24, 2010, as updated December 20, 2011, (b) Report of Phase I Environmental Assessment, dated October 17, 2016, by Withers & Ravenel, Cary, North Carolina, (c) Report of Phase I Environmental Assessment, dated April 2, 2020, by Withers & Ravenel, Cary, North Carolina, or (d) Report of Phase I Environmental Assessment, dated July 13, 2021, by Withers & Ravenel, Cary, North Carolina (collectively, the **"Environmental Report"**), the Corporation has not at any time, and, to Corporation's knowledge, after such inquiry by the Corporation as is reasonably prudent based upon the environmental-related information available to it at the time of the execution of this Deed of Trust, no other party has at any time, used, handled, buried, stored, treated, refined, transported, processed, manufactured, generated, produced, spilled, released, allowed to seep, leak, escape or leach, or pumped, poured, emitted, emptied, discharged, injected, dumped, transferred or otherwise disposed of or dealt with Hazardous Materials (as hereinafter defined) on, to or from the Mortgaged Property, and the Corporation does not intend to use the Mortgaged Property for the purpose of using, handling, burying, storing, treating, refining, transporting, processing, manufacturing, generating, producing, spilling, releasing, seeping, leaking, escaping, leaching, pumping, pouring, emitting, emptying, discharging, injecting, dumping, transferring or otherwise disposing of or dealing with Hazardous Materials, except for use of ordinary cleaning fluids, household pesticides and other substances customarily used and medical wastes customarily generated in the operation of a continuing care retirement community provided such use does not violate any legal requirement or give rise to liability under applicable laws or establish a basis for a lien against the Mortgaged Property.

3.2 Except as disclosed in the Environmental Report, the Corporation represents and warrants to the Beneficiary and the Deed of Trust Trustee that the Corporation has no knowledge of any presence, seepage, leak, escape, leach, discharge, injection, release, emission, spill, pumping, pouring, emptying or dumping of Hazardous Materials in or into the Mortgaged Property, waters on or adjacent to the Mortgaged Property or any other real property owned and/or occupied by the Corporation, or onto lands from which such Hazardous Materials might seep, flow or drain into any such areas.

3.3 The Corporation shall not permit any Hazardous Materials to be used, handled, buried, stored, treated, refined, transported, processed, manufactured, generated, produced, spilled, released, allowed to seep, leak, escape or leach, or to be pumped, poured, emitted, emptied, discharged, injected, dumped, transferred or otherwise disposed of or dealt with on, to or from the Mortgaged Property or any portion thereof at any time, except for use of ordinary cleaning fluids, household pesticides and other substances customarily used and medical wastes customarily generated in the operation of a continuing care retirement community, provided such use does not give rise to liability under or violate applicable laws or establish a basis for a lien against the Mortgaged Property. The Corporation shall immediately remediate

and fully address in accordance with applicable legal requirements any Hazardous Material found in or on the Mortgaged Property.

3.4 The Corporation represents and warrants to the Beneficiary and the Deed of Trust Trustee that the Corporation has received no actual notice of, and has no knowledge of, any claim, suit, or liability, or occurrence or circumstance which with notice or passage of time or both would violate or give rise to a claim or liability under or pursuant to any Environmental Law (as hereinafter defined). The Corporation agrees to notify Beneficiary immediately of any such occurrence, and agrees to comply with all applicable Environmental Laws.

3.5 In the event that there shall be filed a lien against the Mortgaged Property pursuant to any Environmental Law, the Corporation shall, within ten (10) days from the date that the Corporation receives notice of such lien, either (a) pay the claim and remove the lien from the Mortgaged Property; or (b) furnish (i) a bond reasonably satisfactory to the Beneficiary in the amount of the claim out of which the lien arises, (ii) a cash deposit in the amount of the claim out of which the lien arises, or (iii) other security reasonably satisfactory to the Beneficiary in an amount sufficient to discharge the claim out of which the lien arises.

3.6 The Corporation represents and warrants to the Beneficiary and the Deed of Trust Trustee that, to the Corporation's knowledge, it has never sent wastes or materials to a site, and that neither the Mortgaged Property nor any other land owned by the Corporation is a site, included or proposed for inclusion on the National Priorities List issued pursuant to CERCLA (as hereinafter defined) by the United States Environmental Protection Agency (the **"EPA"**) or on any other inventory of other potential **"problem"** sites issued by the EPA or other Governmental Authority, as defined below, identified by the EPA as a potential CERCLA site or included or, to the best of the Corporation's knowledge, proposed for inclusion on, any list or inventory issued pursuant to any Environmental Law, or issued by any Governmental Authority. The Corporation represents and warrants that the Corporation will comply with any applicable Environmental Law (as hereinafter defined) or any other federal, state or local environmental statute, regulation or common law.

3.7 The Corporation agrees to indemnify the Deed of Trust Trustee, the Beneficiary and any holder of an Outstanding Obligation or Subordinated Obligation, including any Related Bond Trustee, for, and to defend and hold them harmless against, any loss, liability, costs, damages, claims and expenses, including, but not limited to, reasonable attorneys' fees, resulting from, or arising out of or in connection with (a) any violation or breach of any representation, warranty or covenant contained in this section; (b) any failure on the part of the Corporation to perform any obligation to be performed by the Corporation with respect to the Mortgaged Property under this section; (c) any failure by the Corporation to comply fully with any Environmental Law; (d) any presence, release, generation, treatment, storage, disposal or transport of any Hazardous Material on, into, from or about the Mortgaged Property; or (e) an Event of Bankruptcy.

3.8 For purposes of this Section, **"Hazardous Material"** shall include without limitation, any material that is or contains flammable, explosive, radioactive, hazardous, hazardous waste, toxic, corrosive, asbestos, petroleum, urea formaldehyde foam insulation, lead, dielectric fluid containing polychlorinated biphenyls, and any other substance or material defined or designated as a hazardous substance, hazardous material, hazardous waste, pollutant, contaminant or toxic substance by any federal, state or local law, ordinance, rule, regulation or other legal requirement for the protection of health, safety or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.) (**"CERCLA"**), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and

Recovery Act, as amended (42 U.S.C. Sections 9601, et seq.) and in the regulations adopted and publications promulgated pursuant to each of the foregoing (herein collectively referred to as the “**Environmental Laws**”) or by any federal, state or local governmental authority having or claiming jurisdiction over the Mortgaged Property (a “**Governmental Authority**”).

SECTION IV Events of Default; Foreclosure

4.1 Events of Default. Each of the following events shall constitute an Event of Default under this Deed of Trust: (a) an Event of Default shall occur under the Master Indenture; (b) a default beyond applicable notice and cure periods under the Loan Agreements or any other agreement or instrument entered into by the Corporation with or for the benefit of the Beneficiary or the Holders; (c) the Corporation shall make any conveyance, sale, assignment, transfer, pledge, mortgage, security interest or other voluntary lien, encumbrance or alienation of the Mortgaged Property in violation of SECTION VI hereof; or (d) the Corporation shall fail duly to perform, observe or comply with any other covenant or agreement on its part under this Deed of Trust for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Corporation by the Beneficiary; *provided, however*, that if said failure be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall not constitute an Event of Default if corrective action is instituted within such thirty (30) day period and diligently pursued until the Event of Default is corrected.

4.2 Power of Sale. Upon the occurrence of an Event of Default, all Secured Indebtedness shall immediately become due and payable, after notice to the Corporation as provided in the Master Indenture, at the option of the Beneficiary, and, upon application of the Beneficiary, it shall be lawful for and the duty of the Deed of Trust Trustee to foreclose on and exercise the power of sale with respect to all or any part or parts of the Mortgaged Property at public auction for cash after first having given such notice as to commencement of foreclosure proceedings and having obtained such findings and leave of court as may then be required by law and upon such sale and any resale to convey title to the purchaser in fee simple.

4.3 Application of Proceeds. The Deed of Trust Trustee, having retained a reasonable and customary fee, not to exceed one-half of one percent (0.5%) of the gross proceeds of such sale, as a commission for its services and having retained also all advertising and other expenses incurred by it, including a reasonable attorneys’ fee for legal services actually performed, shall apply the residue first to the payment of any taxes or assessments that may be a lien against the Mortgaged Property superior to this Deed of Trust, unless the Deed of Trust Trustee advertised and sold the same subject to taxes or assessments; then to the sums secured by this Deed of Trust in accordance with the Master Indenture; then the balance, if any, to the Corporation.

4.4 Foreclosure Sale. At such sale, the Beneficiary may bid for and acquire all or any part or parts of the Mortgaged Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting the sums due and payable under and secured by this Deed of Trust against the net sales price, which shall be the proceeds of sale after deducting therefrom the expenses, taxes and assessments referred to above. At any sale, the Deed of Trust Trustee may require the successful bidder immediately to deposit with the Deed of Trust Trustee cash or a certified check in an amount equal to five percent (5%) of the successful bid but in no case less than the first Seven Hundred Fifty Dollars (\$750.00), and notice of such requirement shall be included in the advertisement of the notice of such sale.

4.5 Other Remedies. Upon an Event of Default:

(a) The Beneficiary may, either with or without process of law, forcibly or otherwise, enter upon and take immediate possession of the Mortgaged Property, expel and remove any persons, goods or chattels occupying or upon the same, receive all Rents, and issue receipts therefor, manage, control and operate the Mortgaged Property as fully as the Corporation might do if in possession thereof, including, without limitation, the making of all repairs and replacements deemed necessary by the Beneficiary and the leasing and sale of the Mortgaged Property, or any part thereof, from time to time, and, after deducting all attorneys’ fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income, if any, to the Secured Indebtedness. To the extent permitted by applicable laws, if the Corporation shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such Event of Default, such possession shall be as a tenant at sufferance of the Beneficiary, and the Corporation agrees to pay to the Beneficiary, or to any receiver appointed as provided below, after such default, a reasonable monthly rental for the Mortgaged Property, or the part thereof so occupied by the Corporation, to be applied as provided above in the first sentence of this subparagraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, the Corporation may be dispossessed by summary proceedings. If the Corporation shall so remain in possession of all, or any part of, the Mortgaged Property, said monthly rental shall be in amounts established by the Beneficiary in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

(b) The Beneficiary shall have the right, either before or after sale, without notice and without being required to post a bond (notice and bond being hereby waived), without regard to the solvency or insolvency of the Corporation at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Mortgaged Property. Such receiver shall have the power to collect the Rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, as well as during any further times when the Corporation, except for the intervention of such receiver, would be entitled to collect the Rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in its hands in payment, in whole or in part, of the Secured Obligations.

SECTION V Additional Rights and Remedies of Beneficiary and Deed of Trust Trustee

5.1 Upon the occurrence of an Event of Default, the Beneficiary and the Deed of Trust Trustee shall be entitled to exercise all the rights and remedies provided in the Master Indenture and this Deed of Trust, all of the rights and remedies of a secured party under the North Carolina Uniform Commercial Code and all other rights and remedies provided by law or in equity. No remedy of the Beneficiary under this Deed of Trust is intended to be exclusive of any other remedy now or hereafter existing at law or in equity, by statute, or under this Deed of Trust, the Loan Agreements, the Master Indenture, or any other agreement or instrument entered into by the Corporation with or for the benefit of the Beneficiary or the Holders. No delay or omission of the Deed of Trust Trustee or the Beneficiary to exercise any right or power accruing upon any Event of Default shall impair such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. Every power or remedy given by this Deed of Trust to the Deed of Trust Trustee or the Beneficiary may be exercised from time to time as often as may be deemed expedient

by the Deed of Trust Trustee or the Beneficiary. The Corporation hereby waives any and all rights to require marshalling of assets in connection with the exercise of any remedies provided herein or as permitted by law. If the Beneficiary fails to pay or perform any obligation upon any lien which would be senior to this Deed of Trust (such as, without limitation, failure to pay real estate taxes when due) and such failure continues for ten (10) days following written notice from the Deed of Trust Trustee or the Beneficiary, then the Deed of Trust Trustee or the Beneficiary may cure such failure, the cost of such cure shall be added to the Outstanding Master Obligations, and interest shall accrue thereon at the lesser of twelve percent (12%) per annum or the highest rate permitted by law.

SECTION VI Prohibition on Transfers

6.1 So long as any Secured Indebtedness remains outstanding or sufficient funds for its payment in full are not held in trust by the Beneficiary or a Related Bond Trustee (as defined in the Master Indenture), the Corporation shall not create, effect, contract for, consent to or permit any conveyance, sale, assignment, transfer, pledge, mortgage, security interest or other voluntary lien, encumbrance or alienation of the Mortgaged Property or any part thereof or interest therein (other than Permitted Conveyances (defined below)), whether any such conveyance, sale, contract, assignment, transfer, pledge, mortgage, security interest, or other voluntary lien, encumbrance or alienation is effected directly or indirectly. As used herein, “**Permitted Conveyances**” mean conveyances, sales, assignments, transfers or other voluntary liens, encumbrances or alienations of the Mortgaged Property or any part thereof or interest therein as contemplated by, arising from or with respect to (a) any of the easements described in the Title Policy; and (b) all Residency Agreements that may now be in effect, as well as any future or additional Residency Agreements, leases or rental agreements, any renewals or extensions of any Residency Agreements, leases, subleases, lettings, licenses, contracts and other agreements entered into in the ordinary course of business in operating a continuing care retirement community, under the terms of which any person acquires any right to use or occupy Mortgaged Property or any portion thereof, and any renewals or extensions thereof that may be entered into by the Corporation, provided that each of the foregoing transfers pursuant to this subdivision (b) are consistent with the operation and improvement and or expansion of the Project as a continuing care retirement community, and consistent with the Master Indenture, the Loan Agreements, and any other documents securing the Outstanding Master Obligations.

SECTION VII The Deed of Trust Trustee

7.1 The Deed of Trust Trustee shall be under no duty to take any action hereunder except as expressly required, or to perform any act that would involve it in expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to its satisfaction. All reasonable expenses, charges, counsel fees and other disbursements incurred by the Deed of Trust Trustee in and about the administration and execution of the trusts hereby created and the performance of its duties and powers hereunder shall be paid by the Corporation on demand, shall be secured by this Deed of Trust and the indebtedness represented by Secured Indebtedness, and shall bear interest at the rate of five percent (5%) per annum. The Beneficiary shall have the irrevocable right to remove the Deed of Trust Trustee herein named at any time without notice or cause and to appoint its successor by an instrument in writing, by duly recording such written instrument in the Office of the Register of Deeds of Wake County, North Carolina, and in the event of the resignation of the Deed of Trust Trustee herein named, the Beneficiary shall have the right to appoint its successor by recordation of such written instrument, and any trustee so appointed shall be vested with the title to the Mortgaged Property and shall possess all the powers, duties and obligations herein conferred on

the Deed of Trust Trustee in the same manner and to the same extent as though it were named herein as Deed of Trust Trustee.

SECTION VIII Miscellaneous

8.1 Limitation of Liability of Officers of Corporation. No present or future officer, board member, employee, representative, or agent of the Corporation in his individual capacity shall be liable personally on the Outstanding Master Obligations or the Subordinated Indebtedness or be subject to any personal liability or accountability by reason of the issuance thereof or by virtue of the execution and delivery of the Master Indenture, the Loan Agreements, this Deed of Trust, and all other documents or instruments pursuant to which any Secured Indebtedness are issued or secured. No officer, board member, employee, representative, or agent of the Corporation shall incur any personal liability with respect to any other action or failure to act pursuant to the Master Indenture, the Loan Agreements, this Deed of Trust, or other document or instrument pursuant to which any Secured Indebtedness are issued or secured, provided such officer, board member, employee, representative, or agent acts in good faith.

8.2 Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and, unless otherwise provided herein, shall be deemed to have been given when delivered or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Corporation, to Samaritan Housing Foundation, Inc., d/b/a SearStone Retirement Community, c/o Krevolin and Horst LLC, One Atlantic Center, 1201 West Peachtree Street, NE, Suite 3250, Atlanta, Georgia 30309, Attention: Stanley G. Brading, President; (b) if to the Deed of Trust Trustee, to Stewart Title Company, 1304B Patton Avenue, Asheville, North Carolina 28801; or (c) if to the Beneficiary, to UMB Bank, National Association, 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Attention: Corporate Trust Services. Each party may by notice given hereunder designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

8.3 Successors and Assigns. This Deed of Trust shall be binding upon, inure to the benefit of, and be enforceable by the Corporation, the Deed of Trust Trustee, the Beneficiary, and any Holder of Secured Indebtedness, including any Related Bond Trustee, and their respective successors and assigns.

8.4 Amendment of Deed of Trust. This Deed of Trust may be amended from time to time, without the consent of or notice to any of the Holders of the Outstanding Master Obligations or the Subordinated Indebtedness, to describe Additional Master Obligations or Subordinated Indebtedness to be secured hereby and to increase the amount of the present obligations secured hereby, but only if, in the opinion of the Beneficiary, who may rely upon an Opinion of Counsel (as defined in the Master Indenture), such amendment shall be consistent with the terms of the Master Indenture and hereof and shall not materially and adversely affect the Holders. The Holders of not less than a majority in aggregate principal amount of Outstanding Master Obligations (except Subordinated Indebtedness) then Outstanding (as defined in the Master Indenture) shall have the right, from time to time, to consent to and approve the execution of any other amendment to this Deed of Trust in the manner provided in Section 9.02 of the Master Indenture.

8.5 Applicable Law. This Deed of Trust shall be governed by the laws of the State of North Carolina.

8.6 Subordinated Indebtedness. Notwithstanding anything to the contrary contained in this Deed of Trust, all rights of the Holders of any Subordinated Indebtedness, including the but not limited to the Series 2012 Subordinated Obligations are expressly subordinate to the Holders of the Outstanding Master Obligations, including but not limited to the Series 2016 Obligation, the Series 2017 Obligation, the Series 2021 Obligation, the Series 2022A Obligation, and the Series 2023A Obligation. In no event shall the Holders of the Subordinated Indebtedness have any right to direct the Beneficiary or the Deed of Trust Trustee to take any actions hereunder. Further, in no event shall Beneficiary, Deed of Trust Trustee, or the Holders of the Outstanding Master Obligations have any obligation to marshal assets or perform a foreclosure sale, auction, deed in lieu or enforce any remedy hereunder, or otherwise take any action, or refrain from acting, or refuse to grant a release or discharge of this Deed of Trust, in a manner which would maximize or ensure any recovery for the Holders of any Subordinated Indebtedness, nor shall Beneficiary, Deed of Trust Trustee, or the Holders of the Outstanding Master Obligations have any liability to the Holders of any Subordinated Indebtedness arising from any claim that such parties took or failed to take any action under this Deed of Trust or with respect to the Mortgaged Property which failed to obtain a recovery, or failed to maximize a recovery for the Holders of the Subordinated Indebtedness. In directing the Deed of Trust Trustee to take any actions with respect to this Deed of Trust or the Mortgaged Property, neither Beneficiary nor the Holders of the Outstanding Master Obligations shall have any duty to act on behalf of or protect the interests of the Holders of the Subordinated Indebtedness.

8.7 No Deed of Trust Trustee or Beneficiary Liability, Indemnity. Notwithstanding anything contained herein to the contrary, neither the Deed of Trust Trustee nor the Beneficiary shall be obligated to perform or discharge, any Outstanding Master Obligations, duty or liability of the Corporation. The Corporation shall and does hereby agree to indemnify and hold the Deed of Trust Trustee and the Beneficiary harmless of and from any and all liability, claim expense, loss or damage which Deed of Trust Trustee or Beneficiary may or might incur (a) with respect to the Mortgaged Property, or any occurrence thereon or use, discharge or disposal of Hazardous Materials thereon or therefrom, or work or materials performed or supplied with respect thereto; (b) the acts or omissions of the Beneficiary, its officers, employees, agents, contractors, licensees, invitees; (c) any Event of Default; (d) any lien or claim of lien against the Mortgaged Property; and (e) or under or by reason of the Deed of Trust Trustee's or the Beneficiary's exercise of rights hereunder, and of and from any and all claims and demands whatsoever which may be asserted against the Deed of Trust Trustee or the Beneficiary by reason of any alleged obligations or undertakings on its part to be performed or discharged except any liability, claim expense, loss or damage arising solely and directly from the Deed of Trust Trustee's or the Beneficiary's willful misconduct or gross negligence. Except at such time as the Beneficiary is in actual possession, ownership or control of the Mortgaged Property, to the exclusion of the Corporation, the Beneficiary shall not have responsibility for the control, care, management or repair of the Mortgaged Property, or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

8.8 Waiver of Jury Trial. THE CORPORATION WAIVES ALL RIGHTS TO TRIAL BY JURY OF ANY SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS OF ANY KIND ARISING UNDER OR RELATING TO THIS DEED OF TRUST. THE CORPORATION ACKNOWLEDGES THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENTS THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY. THE CORPORATION AGREES THAT ALL SUCH SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

[Signatures Follow]

IN WITNESS WHEREOF, the Corporation and the Beneficiary have caused this Deed of Trust to be executed under seal by their duly authorized officers, all by authority duly given as of the first date written above.

CORPORATION:

SAMARITAN HOUSING FOUNDATION, INC.

[SEAL]

By: _____
Stanley G. Brading
President

[Corporation's Signature Page to Deed of Trust]

ACKNOWLEDGMENT OF EXECUTION ON BEHALF OF THE CORPORATION

STATE OF GEORGIA

COUNTY OF FULTON

I, _____, a Notary Public of the aforesaid County and State, certify that Stanley G. Brading personally came before me this day and acknowledged that he is the President of Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation, and that he as President being authorized to do so, executed the foregoing on behalf of the said corporation.

Witness my hand and official seal, (where an official seal is required by law) this the ____ day of _____, 2021.

(Signature of Notary Public)

My commission expires on: _____

[Affix Notary Seal]

IN WITNESS WHEREOF, the Corporation and the Beneficiary have caused this Deed of Trust to be executed under seal by their duly authorized officers, all by authority duly given as of the first date written above.

BENEFICIARY:

UMB BANK, NATIONAL ASSOCIATION

[SEAL]

By: _____
Virginia A. Housum
Senior Vice President

[Beneficiary's Signature Page to Deed of Trust]

ACKNOWLEDGMENT OF EXECUTION ON BEHALF OF THE BENEFICIARY

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the aforesaid County and State, certify that Virginia A. Housum personally came before me this day and acknowledged that she is a Senior Vice President of UMB Bank, National Association, a national banking association, and that she as Senior Vice President being authorized to do so, executed the foregoing on behalf of the said national banking association.

Witness my hand and official seal, (where an official seal is required by law) this the ____ day of _____, 2021.

(Signature of Notary Public)

My commission expires on: _____

[Affix Notary Seal]

EXHIBIT A
DESCRIPTION OF SITE AND CERTAIN APPURTENANT EASEMENTS

BEING all those certain tracts, parcels, or lots of land located in Cary Township, Wake County, North Carolina and being more particularly described as follows:

BEING all of Tracts 1, 2, 3, 4, and 5, according to recombination plat entitled "Recombination Plat of Searstone Retirement Community" dated September 8, 2021, prepared by Bruce D. Beavers, Professional Land Surveyor, for Stantec, and recorded at Book of Maps 2021, Pages 1615-1622, in the office of the Wake County, North Carolina Register of Deeds, to which plat is referenced for a more particular description.

-AND-

BEING all of Lots 15, 16, 17, 18, 19, 21, 21, 22, 23, 25, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 42, according to subdivision plat entitled "SearStone - Subdivision, Right-of-Way Dedication, and Easement Dedication" dated November 4, 2011, last revised February 28, 2012, prepared by John R. Pickens, Professional Land Surveyor, for the John R. McAdams Company, Inc., and recorded at Book of Maps 2012, Pages 606-618, in the office of the Wake County, North Carolina Register of Deeds, to which plat is referenced for a more particular description.

TOGETHER WITH and subject to all rights, title, easements, and privileges set forth in the following appurtenant easements:

- (1) That certain Reciprocal Easement Agreement dated December 19, 2008, between Sears Farm, LLC, a North Carolina limited liability company, and Atlantic Avenue CNC, LLC, a North Carolina limited liability company, recorded at Book 13331, Pages 342-369, in the office of the Wake County, North Carolina Register of Deeds, as amended by First Amendment to Reciprocal Easement Agreement recorded at Book 13869, Pages 1541-1556, in the office of the Wake County, North Carolina Register of Deeds;
- (2) That certain Easement Agreement dated December 19, 2008, between Sears Farm, LLC, a North Carolina limited liability company, and Atlantic Avenue CNC, LLC, a North Carolina limited liability company, as recorded at Book 13331, Pages 370-390, in the office of the Wake County, North Carolina Register of Deeds; and
- (3) That certain Amended and Restated Parking Easement and Agreement dated July 31, 2019, by and between Sears Farm, LLC, a North Carolina limited liability company, and Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation, as recorded at Book 17527, Pages 1843-1855, in the office of the Wake County, North Carolina Register of Deeds.

_____, 2021

Public Finance Authority
Madison, Wisconsin

Searstone Retirement Community
Cary, North Carolina

Ladies and Gentlemen:

The undersigned, **HERBERT J. SIMS & CO., INC.** (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the **PUBLIC FINANCE AUTHORITY** (the “Issuer”) and **SAMARITAN HOUSING FOUNDATION, INC.** d/b/a Searstone Retirement Community (the “Corporation”), which will become binding upon the Issuer, the Corporation and the Underwriter upon the Issuer’s and the Corporation’s acceptance evidenced by execution of this Bond Purchase Agreement. Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the hereinafter defined Bond Indenture, Loan Agreement, or Master Indenture.

Section 1. Background.

(a) The Issuer is a unit of government and a body corporate and politic of the State of Wisconsin, organized and existing pursuant to the provisions of Wisconsin law, in particular Section 66.0301, 66.0302 and 66.0304 of Wisconsin Statutes, as amended (the “Act”), and is authorized to issue its revenue bonds pursuant to the Act for the purposes described herein.

(b) The Issuer, at the request of the Corporation, has determined to issue its (i) Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A (Forward Delivery), in the aggregate principal amount of \$_____ (the “Series 2022A Bonds”).

(c) The Series 2022A Bonds are being issued for the purpose of (a) refunding all of the Issuer’s Revenue Bonds (Searstone CCRC Project) Series 2016 (the “Refunded Bonds”), (b) funding a debt service reserve fund and (c) paying a portion of the costs of issuance of the Series 2022A Bonds.

(d) The Series 2022A Bonds are to be issued pursuant to the Act, a resolution of the Board of Directors of the Issuer (the “Governing Body”) adopted on September 15, 2021 (the “Resolution”) and an Indenture of Trust, dated as of March 1, 2022 (the “Bond Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (the “Bond Trustee”).

(e) Concurrently with the approval of the Series 2022A Bonds, the Authority has determined to approve its Revenue Bonds (Searstone CCRC Project) Series 2021A (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1 (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2 (the “Series 2021B-2 Bonds”), and its

BOND PURCHASE AGREEMENT

Dated as of _____, 2021

Relating to:

§ _____
**PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BONDS
(SEARSTONE CCRC PROJECT)
SERIES 2022A (FORWARD DELIVERY)**

Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021 Bonds”), which are expected to be issued on or after October 15, 2021, pursuant to a separate approval resolution, for the purpose of (1) financing capital expenditures, including but not limited to, costs relating to the 2021 Project (as defined below), (2) refunding all of the Authority’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2020A and Series 2020B Taxable, (3) funding capitalized interest on the Series 2021 Bonds, (4) funding one or more debt service reserve funds, and (5) paying a portion of the costs of issuance of the Series 2021 Bonds by the Authority.

(f) The 2021 Project (as defined below) consists of (i) the further expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current clubhouse to re-purpose common areas, and (ii) the modification, improvement, and enhancement of certain infrastructure serving the Community (collectively, the “2021 Project”).

(g) The Issuer will lend the proceeds of the Series 2022A Bonds to the Corporation pursuant to a Loan Agreement, dated as of March 1, 2022 (the “Loan Agreement”), between the Issuer and the Corporation. The obligation of the Corporation to make loan payments under the Loan Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2022A Bonds will be evidenced by the Corporation’s Series 2022A Master Obligation, in the principal amount of \$[2022 Amount], payable to the Issuer (the “Series 2022A Obligation”), issued pursuant to the Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, as supplemented (the “Master Indenture”), between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019 (“Supplemental Indenture Number 2”); and Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019 (“Supplemental Indenture Number 3”), Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee dated as of June 1, 2020 (“Supplemental Indenture Number 4”), Supplemental Indenture Number 5, dated as of October 1, 2021, between the Corporation and the Master Trustee (“Supplemental Indenture Number 5”) and Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee (“Supplemental Indenture Number 6”). Each Member of the Obligated Group under the Master Indenture will be jointly and severally liable for the payment of the principal of, premium, if any and interest on all Obligations, including the Series 2022A Obligation; however, as of the hereinafter defined Closing Date the Corporation will be the only Member of the Obligated Group.

(h) Under the terms of the Master Indenture, the Corporation has pledged and granted to the Master Trustee its interests in all personal property, Revenues, the funds established under the Master Indenture and any other property subjected to the lien of the Master Indenture, among other items. Additionally, the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021 (the “Deed of Trust”), from the Corporation in favor of the Master Trustee, conveys security title to certain real property of the Corporation and related interests (collectively referred to therein as the “Mortgaged Property”). On the Closing Date, the Issuer will assign its rights, title and interests in the Series 2022A Obligation to the Bond Trustee pursuant to the Bond Indenture.

(i) The Issuer proposes to sell the Series 2022A Bonds to the Underwriter as hereinafter described. The Series 2022A Bonds will be sold to the Underwriter, who will in turn offer the Series 2022A Bonds to persons or entities whom the Underwriter reasonably believes to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) or “accredited investors” as defined in Rule 501 under the Securities Act (collectively, “Eligible Purchasers”), at the prices, bearing interest at the rates and maturing on the dates set forth in Exhibit A.

(j) It is contemplated that the interest on the Series 2022A Bonds (also known as the “Tax-Exempt Bonds”) will be excludible from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”).

(k) A Preliminary Official Statement dated _____, 2021 and an Official Statement dated _____, 2021, each relating to the Series 2022A Bonds and the Series 2021 Bonds (collectively and including all exhibits and appendices thereto, the “Official Statement”) has been supplied to the parties hereto.

(l) The Corporation acknowledges that the Issuer will sell the Series 2022A Bonds to the Underwriter and the Underwriter will make an offering thereof to Eligible Purchasers in reliance on the representations, covenants and indemnities herein set forth.

(m) The Underwriter is purchasing the Series 2021 Bonds pursuant to a Bond Purchase Agreement dated on even date herewith (the “Series 2021 Bond Purchase Agreement”) by and among the Issuer, the Corporation and the Underwriter.

Section 2. Purchase, Sale and Closing.

(a) On the terms and conditions set forth herein, and in Exhibit A hereto, the Underwriter agrees to buy all, but not less than all, of the Series 2022A Bonds from the Issuer, and the Issuer shall sell the Series 2022A Bonds to the Underwriter. The Series 2022A Bonds are being purchased by the Underwriter, for a purchase price of \$ _____ (representing the par amount of the Series 2022A Bonds of \$ _____, less/plus original issue discount/premium of \$ _____ less an underwriter’s discount of \$ _____). The Issuer and the Corporation understand that the Underwriter may change the initial offering prices or yields on the Series 2022A Bonds. The Underwriter agrees to notify the Corporation of such changes, if such changes occur prior to the Closing, but failure to so notify shall not invalidate such changes. The Underwriter may offer and sell the Series 2022A Bonds to certain dealers

(including dealers depositing Series 2022A Bonds into investment trusts) at prices lower than the public offering prices stated on the inside cover page of the Official Statement.

(b) The Issuer and the Corporation acknowledge and agree that (i) the purchase and sale of the Series 2022A Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Corporation, and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act), an agent or a fiduciary of the Issuer or the Corporation; (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer or the Corporation with respect to (a) the offering of the Series 2022A Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer or the Corporation on other matters) or (b) any other contractual obligation to the Issuer or the Corporation except the obligations expressly set forth in this Bond Purchase Agreement; (iv) the Issuer and the Corporation have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Series 2022A Bonds; and (v) the Underwriter has financial and other interests that differ from those of the Issuer and the Corporation.

(c) All fees and expenses of the Issuer incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Series 2022A Bonds to the Underwriter (including, but not limited to, meals, transportation, and lodging of employees of such entities), the fees and expenses of consultants and rating agencies, the fees and expenses of Bond Counsel and counsel for the Corporation, and the fees and expenses of any other counsel or expert retained by the Issuer shall be paid from the proceeds of the Series 2022A Bonds or any other available funds of the Corporation. It is understood that the Corporation will pay the costs of printing and distributing the Preliminary Official Statement, the Official Statement, the Blue Sky Memorandum, if any, and the Legal Investment Survey, if any, and all out-of-pocket expenses of the Underwriter, including travel and other expenses, and the fees and expenses of counsel to the Underwriter.

(d) At or before 10:00 a.m., Eastern Time, on _____, 2021, or at such other time or at such other date as shall have been mutually agreed upon by the Issuer, the Corporation and the Underwriter (the "Preliminary Closing Date" or the "Preliminary Closing"), the certificates, opinions and other documents required by Section 8 hereof shall be executed and delivered (all of the foregoing actions are herein referred to collectively as the "Preliminary Closing"). The Preliminary Closing shall take place on the Preliminary Closing Date at the offices of Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, or at such other location as shall be mutually agreed upon by the Issuer, the Corporation and the Underwriter. Assuming the Preliminary Closing is consummated in accordance with the provisions of this Agreement, then, subject to the provisions of this Agreement, the Underwriter shall be obligated to purchase the Series 2022A Bonds and pay the purchase price therefor at the Closing, except as otherwise provided for herein.

(e) At or before 10:00am, Eastern Time, on March 3, 2022, or at such other time or at such other date as shall have been mutually agreed upon by the Issuer, the Corporation and the Underwriter (the "Closing Date" or the "Closing"), the Series 2022A Bonds shall be delivered in book-entry form (all of the Series 2022A Bonds to be printed, duly executed, and

authenticated, in the form of a single fully registered bond for each stated maturity of each series of the Series 2022A Bonds) to the Underwriter through the facilities of The Depository Trust Company, New York, New York, or such other means as may be mutually agreed upon, for the account of the Underwriter against payment of the purchase price therefor by wire transfer payable in immediately available funds.

(f) In connection with the issuance and sale of the Series 2022A Bonds, (i) the Corporation acknowledges that the Underwriter is expending considerable time and effort to effect the sale of the Series 2022A Bonds, (ii) the Corporation is satisfied with the level of savings generated by the refunding of the Refunded Bonds, (iii) the Corporation acknowledges that during the period between the date hereof and the Closing Date market conditions might allow for greater savings or other benefits if the Corporation were to consummate a different refunding transaction instead of the refunding transaction contemplated herein and (iv) despite the possibility that there may be future market conditions that would lead to greater savings for the Corporation, the Corporation shall use its best efforts and shall act in good faith to cause the Series 2022A Bonds to be issued and sold to the Underwriter as contemplated herein. However, in the event the Corporation is unable, after using its best efforts, to satisfy the conditions contained herein (unless waived by the Underwriter) by the time the satisfaction of such conditions is required, then this Agreement shall terminate, and none of the Corporation, the Issuer or the Underwriter shall have any further obligation or liability to, or any rights against, the other, except as otherwise provided herein, including, but not limited to, the provisions relating to indemnification and the payment of fees, to the extent applicable.

(g) The Underwriter agrees to assist the Issuer in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate substantially in the form attached hereto as Exhibit B, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to Eligible Purchasers of the Tax-Exempt Bonds. The Issuer will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). The Underwriter acknowledges that sales of any Tax-Exempt Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(A) "public" means any Eligible Purchaser other than an underwriter or a related party,

(B) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers),

(C) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(D) “sale date” means the date of execution of this Agreement by all parties.

Section 3. Issuer Representations. The Issuer hereby confirms to the Underwriter its representations made in the Bond Indenture. The Issuer further represents as follows:

(a) The information with respect to the Issuer under the headings “SHORT STATEMENT – The Issuer,” “THE ISSUER” and “LITIGATION – The Issuer” in the Official Statement (collectively, the “Issuer Disclosures”) is true and correct in all material respects, and does not contain any untrue statement of a material fact relating to the Issuer or omit to state a material fact relating to the Issuer that is necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading, it being understood that the Issuer is not making any representation as to the truth, accuracy or completeness of the Official Statement, other than as stated hereinabove.

(b) The Issuer is a joint powers commission organized and existing under the laws of the State of Wisconsin and has full power and authority to adopt the Resolution, to enter into and perform its obligations under the Bond Indenture, the Loan Agreement and this Bond Purchase Agreement and the hereinafter defined Tax Agreement (collectively, the “Issuer Documents”). The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, will constitute valid and binding obligations of the Issuer, enforceable in accordance with their terms (subject to any applicable bankruptcy, insolvency, moratorium or the similar laws or equitable principles affecting creditors’ rights or remedies generally, the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers commissions or governmental units in the State of Wisconsin).

(c) The adoption of the Resolution and the execution of the Issuer Documents and the issuance of the Series 2022A Bonds, and compliance by the Issuer with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, deed of trust, mortgage, agreement, or other instrument to which the Issuer is a party, or to the Issuer’s knowledge, conflict with, violate, or result in a breach of any existing law, public administrative rule or regulation, judgment, court order or consent decree to which the Issuer is subject.

(d) The Resolution and the forms of the Issuer Documents and the Series 2022A Bonds were adopted or approved at a duly convened meeting of the Governing Body, with respect to which all legally required notices were duly given, and at which meeting a quorum was present and acting at the time of adoption thereof.

(e) Any certificate signed by an Authorized Signatory (as defined in the Resolution) of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements made therein.

(f) The Series 2022A Bonds are special limited obligations of the Issuer payable solely from the Trust Estate pledged under the Bond Indenture. The Series 2022A Bonds are not a debt or liability of the State of Wisconsin, any Member (as defined in the Loan Agreement) of the Issuer, or of any political subdivision approving the issuance of the Series 2022A Bonds. The Series 2022A Bonds do not, directly, indirectly or contingently, obligate, in any manner, any Member of the Issuer, the State of Wisconsin or any political subdivision thereof to levy any tax or to make any appropriation for payment of the Series 2022A Bonds. Neither the faith and credit nor the taxing power of the State of Wisconsin or any political subdivision thereof, any Member, any Sponsor (as defined in the Loan Agreement), any Issuer Indemnified Person (as defined in the Loan Agreement) or any political subdivision approving the issuance of the Series 2022A Bonds nor the faith and credit of the Issuer shall be pledged to the payment of the principal of, premium, if any, or interest on the Series 2022A Bonds. The Issuer has no taxing power.

(g) It is specifically understood and agreed that the Issuer makes no representation as to the financial position or business condition of the Corporation and does not represent or warrant as to any of the statements, information (financial or otherwise), representations or certifications furnished or to be made and furnished by or on behalf of the Corporation in connection with the sale of the Series 2022A Bonds, or as to the correctness, completeness or accuracy of such statements.

(h) The Issuer Portion of the Official Statement is “deemed final” as of its date by the Issuer for purposes of Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for the permitted omissions described in paragraph (b)(1) of the Rule, if any.

Section 4. Corporation Representations. The Corporation makes the following representations and warranties, all of which shall survive the Closing.

(a) The Corporation is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Georgia with authority to transact business in the State of North Carolina. The Corporation has full power and authority to execute and deliver the Loan Agreement, Supplemental Indenture Number 5, the Series 2022A Obligation, the Continuing Disclosure Certificate (described below), this Bond Purchase Agreement, the Deed of Trust and all other documents to which it is a party and which relate to the Series 2022A Bonds (collectively, the “Corporation Documents”), and to undertake and perform its obligations thereunder and hereunder.

(b) The Corporation has received a letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income tax under Section 501(a) of the Code. The Corporation is in compliance with all terms, conditions, and limitations, if any, contained in such letter and the statements made in the application to the Internal Revenue Service for such letter are true and accurate and the facts presented in such requests do not deviate in any material respect from the facts of the transactions contemplated by the Official Statement. The income of the Corporation is not subject to any taxes based on net income pursuant to the laws of the State of North Carolina except unrelated business income. The Corporation has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified or that the Internal Revenue Service is considering revoking or modifying such exemption.

(c) The Corporation is organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder, or individual.

(d) The execution and delivery of, and compliance with the terms and conditions of, the Corporation Documents, and the carrying out and consummation of the transactions contemplated thereby and by the Official Statement, will not violate or conflict with any provision of any statute, or any rule, order, regulation, judgment or decree of any court, authority, or other governmental or administrative board or body to which the Corporation is subject, or conflict with or constitute a breach of or a default under any provision of the Corporation's articles or certificate of incorporation or bylaws, or any indenture, mortgage, deed of trust, material agreement or other material instrument to which the Corporation is a party or by which the Corporation or its properties are bound.

(e) The representations and warranties of the Corporation contained in the Corporation Documents are on the date hereof (and as of the Closing Date will be) true and correct, and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading in the light of the circumstances under which they were made.

(f) The information contained in the Official Statement under the headings entitled "THE CORPORATION," "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY FOR THE BONDS," "BONDHOLDERS' RISKS," "FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Prior Compliance," "LITIGATION – The Corporation" and "CERTAIN RELATIONSHIPS" and information contained in Appendix A, B and C thereto, and summaries of such information under the headings "SHORT STATEMENT" and "INTRODUCTION," is on the date hereof (and as of the Closing Date will be) true and correct and does not on the date hereof (and as of the Closing Date will not) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. The Corporation has approved and consents to the use of the Official Statement by the Underwriter.

(g) The audited financial statements of the Corporation for the fiscal years ended December 31, 2020 and December 31, 2019 contained in Appendix B to the Official Statement present fairly the financial position of Corporation as of the dates indicated and the results of its operations and changes in net assets for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved except as stated in the notes thereto. Except as described in the Official Statement, since December 31, 2020, there has been no material adverse change in the activities, properties, financial position or results of operations of the Corporation.

(h) The execution and delivery by the Corporation of the Corporation Documents and all other documents to be delivered by the Corporation in connection with the issuance of the Series 2022A Bonds has been duly authorized by the Corporation, and on or prior to the Closing Date, each of such documents will have been duly executed and delivered by the Corporation, will not have been amended, modified or rescinded and will be in full force and effect as of the Closing Date.

(i) All licenses, consents, permits, approvals or authorizations, of any federal, state or local governmental issuer required on the part of the Corporation to be obtained in connection with the issuance of the Series 2022A Bonds for the purposes described in the Official Statement, the execution and delivery of the Corporation Documents, and the performance by the Corporation of its obligations thereunder and hereunder and the Corporation's consummation of the transactions contemplated thereby and by the Official Statement, have been duly obtained or are expected to be obtained in due course. The Corporation has complied, or by the Closing Date will have complied, with all applicable provisions of law requiring any designation, declaration, filing, registration or qualification with any governmental issuer in connection therewith, other than as may be required by state or federal securities laws.

(j) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental authority, or public board or body pending or threatened which: (i) affects or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2022A Bonds, the execution and delivery of the Corporation Documents; (ii) affects adversely or questions the validity or enforceability of the Corporation Documents; (iii) questions the corporate power or authority of the Corporation to perform its obligations under or to consummate the transactions contemplated by, the Corporation Documents; or (iv) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation. The Corporation is not in default in any material respect under any applicable statute, rule, order or regulation of any governmental body.

(k) The Corporation has created no other lien, encumbrance or security interest with respect to the Mortgaged Property or the Trust Estate other than those permitted in the Master Indenture.

(l) Any certificate delivered at Closing, signed by any director or officer of the Corporation and delivered to the Issuer or the Underwriter shall be deemed a representation

and warranty by the Corporation to the Issuer or the Underwriter as to the truth of the statements made therein.

Section 5. Covenants of the Issuer. The Issuer will:

(a) Cooperate in qualifying the Series 2022A Bonds for offer and sale under the Blue Sky Laws of jurisdictions designated by the Underwriter, provided that the Issuer shall not be required to qualify to do business or consent to service of process in any state or jurisdiction other than the State of Wisconsin; and

(b) Comply with its representations and covenants contained in the Tax Certificate and Agreement (the “Tax Agreement”) dated March __, 2022, between the Issuer and the Corporation to be delivered at the Closing.

Section 6. Covenants of the Corporation. The Corporation agrees that it will:

(a) Promptly notify the Underwriter and the Issuer of any material change with respect to the Mortgaged Property or the Corporation’s operations, properties or financial condition occurring before Closing which would require a change in the Official Statement in order to make the information contained therein not misleading in connection with the offering of the Series 2022A Bonds; and

(b) Refrain from taking any action, or voluntarily permitting any action to be taken, with regard to which it may exercise control, that results in the loss of the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes; and

(c) Indemnify and hold harmless the Issuer and the Underwriter and their respective directors, officers, agents and employees, past, present and future, and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) any of such parties (hereinafter collectively called the “Indemnified Parties”), against any and all losses, claims, damages, liabilities, reasonable costs or reasonable expenses whatsoever arising out of either (i) any breach by the Corporation of any of its representations and warranties as set forth in Section 4 hereof; or (ii) any allegation that there is any untrue statement of a material fact contained in the Official Statement, or that the Official Statement omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, provided that the Corporation shall not be obligated to indemnify: (i) the Issuer with respect to information in or omissions from the Official Statement under the headings “SHORT STATEMENT – The Issuer,” “THE ISSUER” and “LITIGATION – The Issuer”; or (ii) the Underwriter with respect to information in or omissions from the Official Statement under the heading “UNDERWRITING” or on the cover and inside cover pages relating to the principal amounts, interest rates, price or yield on the Series 2022A Bonds. In case any action shall be brought against one or more of the Indemnified Parties with respect to the matters subject to the indemnity provided by this subsection (d), the Indemnified Party or Parties shall promptly notify the Corporation in writing, and the Corporation shall promptly assume the defense thereof, including the employment of counsel, and pay all related expenses, provided the Corporation has the sole right to negotiate and consent to settlements. If the defendants in any action for which indemnity is required hereunder include both the Corporation and an Indemnified Party and such Indemnified Party shall have been advised in writing by its counsel

that defenses are available to such Indemnified Party which are not available to the Corporation and that it would be inappropriate for the same counsel to represent both the Corporation and the Indemnified Party, such Indemnified Party shall have the right to employ its own counsel in such action, in which event the Corporation shall reimburse the Indemnified Party for any reasonable legal and other expenses incurred by the Indemnified Party arising out of or in connection with the defense thereof. The Corporation shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of the Corporation, or if there be final judgment for the plaintiff in any such action with or without consent, the Corporation agrees to indemnify and hold harmless the Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this subsection (d). Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action, and to participate in the defense thereof, but the fees and expenses of such counsel shall, other than as provided above, be at the expense of such Indemnified Party or Parties, unless the employment of such counsel has been specifically authorized by the Corporation. The indemnity provided in this subsection (d) includes reimbursement for reasonable expenses incurred by the Indemnified Parties in investigating the claim and in defending it if the Corporation declines to assume the defense. The indemnity provided in this subsection (d) shall survive the Closing.

(d) Deliver to the Underwriter, concurrently with its delivery thereof to the Master Trustee, any Officer’s Certificate required to be delivered under the Master Indenture;

(e) Whenever the Corporation is required to appoint a Consultant pursuant to Section 4.24 of the Master Trust Indenture, or proposes to appoint a new Consultant, or proposes to appoint a new Manager or a new Marketing Consultant (whether or not required pursuant to the Master Indenture), give prior notice to the Underwriter of the person or persons, or firm or firms, it is considering for such appointment, but shall not appoint any such person or firm which is unsatisfactory to the Underwriter.

(f) Comply with its obligations pursuant to the Continuing Disclosure Certificate.

Section 7. Official Statement. The Corporation (i) has prepared or caused the preparation of the Official Statement; (ii) shall provide to the Underwriter sufficient copies of the Official Statement, which the Corporation deems complete as of its date, in sufficient time to accompany any confirmation that requires payment from any customer and in any event within seven business days after the date of this Bond Purchase Agreement; and (iii) agrees to notify the Underwriter of any material developments with respect to the Issuer, the Corporation, their respective businesses and operations, or the Series 2022A Bonds during the period that the Official Statement is required to be delivered in connection with sales of the Series 2022A Bonds and for a period thereafter as long as the Underwriter is obligated to deliver an Official Statement. Unless otherwise notified in writing by the Underwriter on or before the Closing Date, the Issuer and the Corporation may assume that the “end of the underwriting period” for the purposes of the Rule shall be the Closing Date.

(a) The Issuer consents to the distribution of and the Corporation authorizes the use of the Official Statement by the Underwriter in connection with the offering of the Series 2022A Bonds. The Underwriter acknowledges that the Issuer has not participated in the

preparation of the Official Statement and has made no independent investigation and has furnished no information contained in the Official Statement, except the information contained in the Issuer Disclosures, and the Issuer has not confirmed, and assumes no responsibility for, the accuracy, sufficiency, completeness or fairness of any of the statements in the Official Statement (except with respect to the information therein under the Issuer Disclosures) or any supplements thereto or in any reports, financial information, offering or disclosure documents or other information in any way used in connection with or relating to the offering and sale of the Series 2022A Bonds, the Corporation or the Underwriter.

(b) Notwithstanding any prior amendments or supplements to the Official Statement made pursuant to this Section, the Corporation shall prepare a supplement to the Official Statement (the “Official Statement Supplement”) to the extent necessary to update the Official Statement so as to assure its accuracy as of the Closing Date not more than twenty-five (25) days or less than five (5) days prior to the Closing Date which, as of such date, will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Corporation shall furnish the Official Statement Supplement to the Underwriter not later than one (1) business day prior to the Closing Date in such quantity as the Underwriter shall reasonably require.

(c) After the Closing, the Issuer and the Corporation will not adopt or distribute any amendment of or supplement to the Official Statement or the Official Statement Supplement, except with the prior written consent of the Underwriter; and if any event relating to or affecting the Issuer, the Corporation, their respective businesses and operations, the Community or the Series 2022A Bonds shall occur, the result of which shall make it necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement or the Official Statement Supplement in order to make it not misleading in light of the circumstances existing at that time, the Corporation shall forthwith prepare, and the Corporation shall approve for distribution, a reasonable number of copies of an amendment of or supplement to the Official Statement or the Official Statement Supplement, in form and substance satisfactory to the Underwriter, so that the Official Statement or the Official Statement Supplement then will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances existing at that time, not misleading. The Issuer shall cooperate, at the expense of the Corporation, with the Corporation in the issuance and distribution of any such amendment or supplement.

(d) Pursuant to the Continuing Disclosure Certificate dated as of March 1, 2022 (the “Continuing Disclosure Certificate”) by the Corporation, the Corporation will undertake to provide the financial information, operating data and notices of the occurrence of certain material events specified in the Continuing Disclosure Certificate in Appendix G to the Official Statement thereto at the times, to the persons and in the manner set forth therein.

Section 8. Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, covenants and agreements of the Issuer and the representations, warranties, covenants and agreements of the Corporation herein and the performance by the Issuer and the Corporation of their obligations hereunder, all as of the date hereof and as of the date of the Preliminary Closing. The Underwriter’s obligation under this

Agreement to purchase and pay for the Series 2022A Bonds is subject to the performance by the Issuer and the Corporation of their respective obligations to be performed at or prior to the Preliminary Closing and shall be subject to the following further conditions:

(A) At the time of the Preliminary Closing (1) the Master Indenture, the Deed of Trust and the Official Statement shall be in full force and effect and shall not have been materially amended, modified or supplemented except as may have been agreed to by the Underwriter, (2) the Issuer and the Corporation shall have duly adopted and there shall be in full force and effect such resolutions as in the opinion of Bond Counsel (as defined below) shall be necessary in connection with the transactions contemplated hereby, and (3) the Issuer and the Corporation shall have performed all their obligations under this Contract of Purchase required to be performed at or prior to the Preliminary Closing;

(B) The Underwriter shall have the right to cancel its obligations to purchase the Series 2022A Bonds, and shall provide written notice to the Issuer and the Corporation of the same, if between the date hereof and the Preliminary Closing (1) legislation shall have been enacted or introduced by the Congress of the United States, or adopted by either House of the Congress, or enacted or introduced by the General Assembly of the State of North Carolina, or adopted by either House of the General Assembly, or shall have been reported out of committee of either the Congress or the General Assembly, or be pending in committee of either the Congress or the General Assembly, or a decision shall have been rendered by a court of the United States, including the Tax Court of the United States, or a court of the State of North Carolina, or a ruling or an official release shall have been made or a regulation or temporary regulation shall have been proposed or made or a press release or some other form of notice or announcement shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal or state authority having jurisdiction over tax matters, with respect to federal or State of North Carolina taxation upon revenues or other income of the general character to be derived by the Issuer or the Corporation, or upon interest received on obligations of the general character of the Series 2022A Bonds, or other action or events shall have transpired which would, in the reasonable judgment of the Underwriter, have the purpose or effect, directly or indirectly, of changing the federal or State of North Carolina tax consequences of any of the transactions contemplated in connection herewith, or (2) there shall occur any event, which in the reasonable judgment of the Underwriter (A) would have a material and adverse effect on the market price or marketability of the Series 2022A Bonds, (B) would make untrue, incorrect or incomplete in any material respect any statement or information contained in the Official Statement, or (C) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, under the circumstances in which they were made, not materially misleading, or (3) in the reasonable judgment of the Underwriter, the market price or marketability of the Series 2022A Bonds or the ability of the Underwriter to enforce contracts for the sale of Series 2022A Bonds shall have been materially adversely affected by an amendment of or supplement to the Official Statement,

notwithstanding the Underwriter's approval of such amendment or supplement prior to its distribution, or (4) there shall have occurred any outbreak or escalation of hostilities or other local, national or international calamity or crisis (including terrorist activity involving United States concerns), or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, the Issuer, any state of the United States or agency thereof, or any county or city located in the United States having a population of over one million persons, the effect of which on the financial markets of the United States will be such as, in the reasonable judgment of the Underwriter, makes it impracticable for the Underwriter to market the Series 2022A Bonds or enforce contracts for the sale of the Series 2022A Bonds, or (5) there shall have occurred and be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of a determination by any such exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (6) a general banking moratorium shall have been declared by federal, State of North Carolina or State of New York authorities having jurisdiction and be in force, or (7) there shall occur any material adverse change in the affairs of the Issuer or the Corporation that is not disclosed in the Official Statement, or (8) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the charge to the net capital requirements of underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order, or (9) a decision of any federal or state court or a ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would (A) make the Series 2022A Bonds, the Series 2022A Master Obligation, any securities of the Issuer or securities similar to the Series 2022A Bonds subject to the registration requirements of the Securities Act of 1933, as amended, or (B) require the qualification of an indenture in respect of the Series 2022A Bonds or any such securities under the Trust Indenture Act of 1939, as amended; and

(C) At or prior to the Preliminary Closing, the Underwriter shall have received the following documents in form and substance satisfactory to the Underwriter and its counsel –

- (1) Letter from Bond Counsel relating to the Series 2022A Bonds, dated the Preliminary Closing Date and addressed to the Issuer, to the effect that assuming satisfaction by the Issuer, the Corporation and the Underwriter of their respective obligations to be satisfied in this Agreement and the issuance of the Series 2022A Bonds on or after March 3, 2022, including, without limitation, the receipt of the necessary tax

certifications from the Issuer, the Corporation and the Underwriter, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in its view, affect or are material to its opinion (including, without limitation, the existence of any litigation), that it intends to issue its opinion as of the Closing Date, in substantially the form set forth as Appendix E to the Official Statement, and a reliance letter with respect thereto or a supplemental letter allowing the Underwriter to rely on such letter;

- (2) a supplemental opinion of Bond Counsel, dated the date of the Preliminary Closing and addressed to the Underwriter, substantially in the form attached hereto as Exhibit C;

- (3) an opinion of Counsel to the Underwriter dated the Preliminary Closing Date addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

- (4) an opinion of counsel to the Issuer dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter substantially in the form of Exhibit D attached hereto;

- (5) an opinion or opinions of counsel to the Corporation dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter, substantially in the form of Exhibit E attached hereto;

- (6) a certificate of the Issuer dated the Preliminary Closing Date in form and substance satisfactory to the Underwriter;

- (7) a certificate of the Corporation dated the Preliminary Closing Date to the effect that: (A) no litigation or proceeding of any kind is now pending or to the best knowledge of the Corporation, threatened against the Corporation before any court or agency of the United States of America, the State of Georgia or the State of North Carolina; (1) to restrain or enjoin the issuance or delivery of the Series 2022A Bonds, or materially and adversely affecting in any way the security for the Series 2022A Bonds, or (2) which might materially adversely affect the business or properties or financial condition of the Corporation, (3) in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Agreement, the performance by the Corporation of any of its obligations hereunder, or the consummation of any of the transactions contemplated hereby or by the Official Statement or (4) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation; (B) each of the representations and warranties of the Corporation contained in this Agreement is true and correct in all material respects as of the Preliminary Closing Date; each of the covenants and agreements of the Corporation contained in this Agreement which are required to be performed on or

before the Closing Date have been duly performed; (C) no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Corporation under this Agreement or the Residency Agreements; (D) no event affecting the Corporation has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose in the Official Statement in order to make the statements and information contained therein not misleading as of the date of the Preliminary Closing; (E) the Corporation has no knowledge of any defect in title to the Site described in the Deed of Trust which is not (i) mentioned in the title report; or (ii) a Permitted Encumbrance; and (F) there has been no change or threatened change in the tax-exempt status of the Corporation;

(8) copies of the Resolution, together with a certification by the Issuer that the Resolution has not been amended or supplemented in any respect or repealed subsequent to the date of adoption thereof and is in full force and effect on the Preliminary Closing Date;

(9) Executed counterpart of the Official Statement;

(10) the written approval or consent of Dixon Hughes Goodman LLP, independent auditors, to the inclusion in the Official Statement of the financial statements of the Corporation in Appendix B thereto;

(11) agreed upon procedures letter from Dixon Hughes Goodman LLP, independent auditors, with respect to certain portions of the Official Statement, in form and substance satisfactory to the Underwriter;

(12) (1) a copy of the articles of incorporation of the Corporation, as amended, certified by the appropriate officer of the State of Georgia, together with proof of recent date, satisfactory to counsel to the Underwriter of the existence of the Corporation and its authority to do business in the State of North Carolina and (2) copies of the bylaws of the Corporation and resolutions of the Board of Directors of the Corporation authorizing the execution and delivery of the Corporation Documents and the approval of the Official Statement, certified by its Secretary or Assistant Secretary;

(13) evidence satisfactory to Bond Counsel that the Corporation is an organization described in Section 501(c)(3) of the Code, as amended;

(14) a copy of a mortgagee title insurance policy insuring the first priority lien of the Deed of Trust, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Series 2022A Bonds and all other secured indebtedness of the Corporation, together with a land survey prepared and certified by a

licensed land surveyor, which shall be referenced in said title insurance policy;

(15) certificates of insurance showing coverage of the types and amounts set forth in the Loan Agreement and in the Master Indenture and a certificate of an Insurance Consultant (as defined in the Master Indenture), to the effect that the insurance coverage, with respect to type and amount, complies with the requirements of the Loan Agreement and the Master Indenture; and

(16) such other certificates, opinions and other documents as Bond Counsel, the Underwriter or their counsel may reasonably require.

If the Issuer or the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement on the Preliminary Closing Date (unless waived by the Underwriter after receiving written consent of such waiver by the Issuer), or if such obligations shall be terminated for any reason permitted by this Agreement, then this Agreement shall terminate and none of the Issuer, the Corporation or the Underwriter shall have any further obligation hereunder, except for the obligations of the Corporation with respect to indemnification and the payment of fees, which shall survive the termination of this Agreement.

Section 9. Events Permitting Underwriter to Terminate. The Underwriter may terminate its obligation to purchase the Series 2022A Bonds at any time after the Preliminary Closing Date and before the Closing Date if any of the following occur:

(a) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Series 2022A Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds so as to impair materially the marketability or to materially lower the market price thereof; or

(b) any action by the Securities and Exchange Commission or a court which would require registration of the Series 2022A Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Bond Indenture or Master Indenture under the Trust Indenture Act of 1939, as amended; or

(c) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, the effect of which on the financial markets of the United States shall be such as to make it impracticable for the Underwriter to enforce contracts for the sale of the Series 2022A Bonds; or

(d) any event or condition which, in the reasonable judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, as supplemented by the Official Statement Supplement; or

(e) pending or threatened litigation affecting or arising out of the issuance of the Series 2022A Bonds which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Series 2022A Bonds; or

(f) an Event of Default shall have occurred and be continuing under the Master Indenture or an event has occurred and is continuing that would be Event of Default under the Bond Indenture or the Loan Agreement and, in any case, which has not been cured as the Closing Date; or

(g) sufficient quantities of the Official Statement Supplement are not delivered to the Underwriter in a timely manner; or

(h) the Corporation shall fail to enter into the Continuing Disclosure Certificate.

If the Underwriter terminates its obligation to purchase the Series 2022A Bonds because any of the conditions specified in Section 8 or this Section 9 shall not have been fulfilled at or before the Closing, such termination shall not result in any liability on the part of the Issuer, the Underwriter, or, except for the payment of such costs of issuance described in Section 1(i) hereof (but not including the Underwriter's fee), the Corporation. If the Underwriter terminates its obligation to purchase the Series 2022A Bonds, the Corporation shall not be obligated to pay the fees and disbursements of counsel to the Underwriter unless such termination is a result of failure of the Corporation to perform its obligations under this Bond Purchase Agreement.

Section 10. Forward Delivery.

(a) The Underwriter has entered into this Agreement in reliance on the representations of the Issuer and the representations and warranties of the Corporation contained herein and to be contained in the documents and instruments to be delivered at the Preliminary Closing and the Closing, and on the performance by the Issuer and the Corporation of their respective obligations hereunder, both as of the Preliminary Closing Date and the Closing Date. Accordingly, the Underwriter's obligation under this Agreement to purchase and pay for the Series 2022A Bonds is subject to the performance by the Issuer and the Corporation of their respective obligations to be performed hereunder at or prior to the Closing Date, and shall also be subject to the conditions that at the time of the Closing (i) the representations of the Issuer and the representations and warranties of the Corporation (other than any representation as to the financial position or results of operation of the Corporation) contained herein are true, complete and correct with the same effect as if made on the Closing Date, (ii) this Agreement and the Corporation Documents are in full force and effect and have not been amended, modified or supplemented except as may have been agreed to by the Underwriter, (iii) the Corporation has entered into the Continuing Disclosure Certificate, and (iv) the Issuer has duly adopted and there are in full force and effect such resolutions as in the opinion of Bond Counsel are necessary in connection with the transactions contemplated hereby, and such resolutions have not been amended, modified or supplemented. At the time of the Closing, the Official Statement Supplement shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter.

(b) On or prior to the Closing Date, the Underwriter shall receive the following documents in form and substance satisfactory to the Representative:

(1) (A) The approving opinion of Bond Counsel dated the Closing Date and in the form set forth as Appendix E to the Official Statement and substantially in the form heretofore delivered to the Underwriter and (B) the supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(2) The opinion of counsel to the Corporation, dated the Closing Date and addressed to the Underwriter, the Issuer and Bond Counsel, substantially in the form attached hereto and marked Exhibit E;

(3) The opinion of counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(4) an opinion of counsel to the Issuer dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter substantially in the form of Exhibit D attached hereto;

(5) a certificate of the Issuer dated the Closing Date in form and substance satisfactory to the Underwriter;

(6) a certificate of the Corporation dated the Closing Date to the effect that: (A) no litigation or proceeding of any kind is now pending or to the best knowledge of the Corporation, threatened against the Corporation before any court or agency of the United States of America, the State of Georgia or the State of North Carolina; (1) to restrain or enjoin the issuance or delivery of the Series 2022A Bonds, or materially and adversely affecting in any way the security for the Series 2022A Bonds, or (2) which might materially adversely affect the business or properties or financial condition of the Corporation, (3) in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Corporation Documents, or any other documents executed by the Corporation in connection with the Series 2022A Bonds, the performance by the Corporation of any of its obligations thereunder, or the consummation of any of the transactions contemplated thereby or by the Official Statement or (4) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation; (B) each of the representations and warranties of the Corporation contained in the Corporation Documents is true and correct in all material respects as of the Closing Date; each of the covenants and agreements of the Corporation contained in the Corporation Documents which are required to be performed on or before the Closing Date have been duly performed; (C) no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Corporation under the Corporation Documents or the Residency Agreements; (D) no event affecting the Corporation has occurred since the date of the Official

Statement Supplement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose in the Official Statement Supplement in order to make the statements and information contained therein not misleading as of the date of the Closing; (E) the Corporation has no knowledge of any defect in title to the Site described in the Deed of Trust which is not (i) mentioned in the title report; or (ii) a Permitted Encumbrance; and (F) there has been no change or threatened change in the tax-exempt status of the Corporation;

(7) Certificates, dated the Closing Date, signed by an authorized officer of the Corporation, to the effect that (A) attached thereto is a copy of the articles of incorporation of such Corporation, and all amendments thereto, certified as of a recent date by the Secretary of State of the State of Georgia, and that such documents have not been amended since such date; (B) attached thereto is a true and complete copy of the bylaws of the Corporation, as in effect on the date of such certification, and (C) attached thereto is a true and complete copy of the resolutions of the Board of Directors of the Corporation, authorizing the execution and delivery of the Corporation Documents and the approval of the Official Statement, the Official Statement Supplement and the Bond Indenture, and all transactions contemplated by such documents;

(8) Certificate, dated no earlier than ten days prior to the Closing Date, issued by the Secretary of State of the State of Georgia to the effect that the Corporation is in existence as of the date of such certificate;

(9) Copies of the current licenses to operate the Community (as defined in the Master Indenture), certified as of the date of the Closing by an officer of the Corporation;

(10) Executed counterparts or certified copies, as applicable, of the Issuer Documents and the Corporation Documents;

(11) Evidence satisfactory to Bond Counsel the Corporation is an organization described in Section 501(c)(3) of the Code;

(12) Evidence satisfactory to Bond Counsel that the arbitrage provisions of the Code have been satisfied and a completed Internal Revenue Service Form 8038 signed by an authorized representative of the Issuer;

(13) Copies, certified by an appropriate officer of the Master Trustee, of the authorization of the Master Trustee to perform its agreements under the Master Indenture, as supplemented;

(14) Copies, certified by an appropriate officer of the Bond Trustee of the authorization of the Bond Trustee to perform its agreements under the Bond Indenture;

(15) Specimen Series 2022A Bonds;

(16) The opinion of Bond Counsel to the effect that the Refunded Bonds are no longer "Outstanding" within the meaning of the bond indenture pursuant to which the Refunded Bonds were issued; and

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Bond Counsel or counsel to the Underwriter may reasonably request to evidence compliance by Issuer and the Corporation with legal requirements, the truth and accuracy as of the time of the Closing of the representations and warranties herein contained and the due performance or satisfaction by the Issuer and the Corporation at or prior to such time of all covenants or agreements then to be performed and all conditions then to be satisfied by the Issuer and the Corporation.

If the Issuer or the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement on the Closing Date (unless waived by the Underwriter), or if such obligations shall be terminated for any reason permitted by this Agreement, then this Agreement shall terminate and none of the Issuer, the Corporation or the Underwriter shall have any further obligation hereunder, except for the obligations of the Corporation with respect to indemnification and the payment of fees, which shall survive the termination of this Agreement.

Section 11. Notices and Other Actions. All notices, demands and formal actions hereunder shall be in writing mailed, emailed, faxed or delivered to:

The Issuer:

Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper
Email: scarper@pfauthority.org

The Corporation:

Samaritan Housing Foundation, Inc.
One Atlantic Center
1201 West Peachtree Street, NW, Suite 3250
Atlanta, Georgia 30339
Attention: President
Facsimile: (404) 888-9577

With a copy to:

Samaritan Housing Foundation, Inc
d/b/a Searstone Retirement Community
17001 Searstone Drive

Cary, NC 27513
Attention: Executive Director and Chief Financial Officer

With a copy to:

K&L Gates LLP
Post Office Box 17047
Raleigh, North Carolina 27619-7047
Attention: Robert B. Womble
Email: Robert.womble@klgates.com

The Underwriter:

Herbert J. Sims & Co., Inc.
2150 Post Road, Suite 301
Fairfield, CT 06824
Attention: Aaron Rulnick, Managing Principal
Email: arulnick@hjsims.com

Section 12. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin; provided that as to the Corporation, the laws of the State of North Carolina shall apply. This Bond Purchase Agreement may not be assigned by the Issuer, the Corporation or the Underwriter.

All claims of whatever character arising out of this Bond Purchase Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer, shall be brought in any state or federal court of competent jurisdiction located in Dane County, Wisconsin. By executing and delivering this Bond Purchase Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving political subdivisions of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 13. Successors. This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Underwriter and the Corporation and their respective successors and, as to Section 6(d) and Section 8(b), the directors, officers, employees and agents of the Issuer. No other person or entity shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The representations, warranties and agreements herein shall survive the issuance, sale and delivery of the Series 2022A Bonds.

Section 14. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, all of which taken together shall be one and the same instrument,

and any parties hereto may execute this Bond Purchase Agreement by signing any such counterpart.

Section 15. Extent of Covenants; No Personal Liability; Indemnification. No covenant, stipulation, obligation or agreement of the Issuer contained in this Bond Purchase Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity; and no such person (including any such person executing the Series 2022A Bonds) shall be liable personally hereunder. Notwithstanding anything to the contrary herein, it is understood and agreed that nothing in Section 6(d) hereof or elsewhere in this Bond Purchase Agreement shall be deemed or construed as a modification of or limitation on the rights of the Issuer and the Issuer Indemnified Persons to indemnification from the Corporation under the indemnification provisions of the Loan Agreement, AND THAT SUCH INDEMNIFICATION PROVISIONS (INCLUDING SECTION 7.5 OF THE LOAN AGREEMENT) SHALL APPLY TO THIS BOND PURCHASE AGREEMENT AS IF FULLY SET FORTH HEREIN. THE CORPORATION FURTHER ACKNOWLEDGES THAT SECTION 7.5 OF THE LOAN AGREEMENT PROVIDES THAT THE CORPORATION SHALL RELEASE AND INDEMNIFY THE ISSUER INDEMNIFIED PERSONS AGAINST ITS OR THEIR OWN NEGLIGENCE OF ANY KIND, DEGREE OR DESCRIPTION. The Indemnified Parties in Section 6(d) hereof (other than the Issuer and the Underwriter) shall be considered to be intended third-party beneficiaries of this Bond Purchase Agreement for purposes of indemnification and exculpation from liability, the provisions of which shall be in addition to all liability that the Corporation may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Series 2022A Bonds, and the payment or provision for payment of the Series 2022A Bonds.

Section 16. Limitation of Recourse Against Issuer. Notwithstanding anything herein contained to the contrary by implication or otherwise: (i) the Series 2022A Bonds are the special limited obligations of the Issuer payable solely from funds pledged for their payment in accordance with the Bond Indenture and the Loan Agreement; (ii) the Members of the Issuer are not liable on the Series 2022A Bonds or on any other contract entered into in connection with the issuance of the Series 2022A Bonds (including this Bond Purchase Agreement), or for any other debt, obligation or liability of the Issuer, whether in tort, contract or otherwise; (iii) the Series 2022A Bonds are not a debt of any Member of the Issuer or the State of Wisconsin or any political subdivision thereof; and (iv) the issuance of the Series 2022A Bonds does not obligate any Member of the Issuer or the State of Wisconsin or any political subdivision thereof to levy any tax or make any appropriation for payment of the Series 2022A Bonds.

Section 17. Entire Agreement. Upon the execution of this Bond Purchase Agreement, this Bond Purchase Agreement shall constitute the entire agreement among the Corporation, the Underwriter and the Issuer with respect to the Series 2022A Bonds.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer, the Corporation and the Underwriter have caused their duly authorized representatives to execute and deliver this Bond Purchase Agreement as of the date first written above.

PUBLIC FINANCE AUTHORITY

By _____
 Name:
 Title: Assistant Secretary

SAMARITAN HOUSING FOUNDATION, INC.

By _____
 Stanley G. Brading, Jr.
 President

HERBERT J. SIMS & CO., INC.

By _____
 William B. Sims
 Managing Principal

EXHIBIT A

DESCRIPTIONS OF THE SERIES 2022A BONDS

\$ _____ Revenue Bonds
 (Searstone CCRC Project)
 Series 2022A (Forward Delivery)

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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Redemption Provisions Related to Series 2022A Bonds

Optional Redemption. The Series 2022A Bonds are subject to optional redemption as follows:

The Series 2022A Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ through May 31, 20__	
June 1, 20__ and thereafter	

Upon the delivery of the above-referenced written optional redemption direction of the Corporation to the Bond Trustee, the Issuer shall be deemed, without any action on its part, to have exercised its option to redeem any of the Series 2022A Bonds, as applicable, under this section.

Sinking Fund Redemption

(a) The Series 2022A Bonds maturing on June 1, 20__, 20__ and 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price

equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

- (i) The \$_____ Series 2022A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

- (ii) The \$_____ Series 2022A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

- (iii) The \$_____ Series 2022A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

Extraordinary Redemption

The Series 2022A Bonds are subject to optional redemption by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in the event of (1) or (2) below, and subject to mandatory redemption without such direction in the case of (3) below, prior to their scheduled maturities, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the Series 2022A Bond:

- (1) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount, and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment;
- (2) as a result of any changes in the Constitution or laws of the State of Wisconsin or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the Loan Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Loan Agreement; or
- (3) with respect to the Tax-Exempt Bonds, upon a Determination of Taxability.

EXHIBIT B**FORM OF ISSUE PRICE CERTIFICATE**

§[2022 Amount]
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2022A (Forward Delivery)

The undersigned, on behalf of Herbert J. Sims & Co., Inc. (“Sims”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Public Finance Authority (the “Authority”).

1. **Purchase Contract.** Sims, the Authority and the Borrower have entered into a Bond Purchase Agreement dated _____, 2021 (the “Contract”) in connection with the Series 2022A Bonds. The Contract has not been modified since its execution on the Sale Date. Defined terms herein not otherwise defined shall have the meanings set forth in the Contract.

2. **Sale of the [General Rule Maturities] [Bonds].** As of the date of this certificate, for each Maturity of the [Bonds] [General Rule Maturities], the first price at which at least 10% of such Maturity of the Series 2022A Bonds was sold to the Public is the respective price listed in Schedule A.

3. **[Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) Sims offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2022A Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Contract, Sims has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2022A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2022A Bonds during the Holding Period.]

4. **[Callable High Premium Bonds.** The Series 2022A Bonds stated to mature on June 1, 20__ and 20__ (the “Callable High Premium Bonds”) have an issue price that exceeds the stated redemption price at maturity thereof by more than one-fourth of one percentage point

multiplied by the product of the stated redemption price at maturity of such Bond and the number of complete years to the first optional redemption date of such Bonds. In accordance with Treas. Reg. § 1.148-4(b)(3), the yield on the Series 2022A Bonds is to be computed by treating each Callable High Premium Bond as redeemed at its stated redemption price on the optional redemption date that would produce the lowest yield on the Series 2022A Bonds. In the case of the Callable High Premium Bonds such date is June 1, 20__, and the yield on the Series 2022A Bonds has been calculated by treating the Callable High Premium Bonds as redeemed on June 1, 20__ at a redemption price equal to __% of the principal amount thereof plus interest accrued to such date.]

5. **[Debt Service Reserve Fund.]** [Bond Counsel to include applicable Debt Service Reserve Fund language, as necessary.]

6. **Yield.** The semiannually compounded yield on the Series 2022A Bonds, determined as set forth in [Section __ of Part __] of the Tax Certificate to which this Certificate is attached as **Exhibit A** (the “Tax Certificate”), is not less than __%.

7. **Average Maturity of Bonds.** The weighted average maturity of the Series 2022A Bonds is [____] years.

8. **Defined Terms.**

(a) **Borrower** means Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community.

(b) **Authority** means the Public Finance Authority.

(c) **[General Rule Maturities]** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(d) **[Hold-the-Offering-Price Maturities]** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(e) **[Holding Period]** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Sims has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(f) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022A Bonds. The Sale Date of the Series 2022A Bonds is _____, 2021.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Sims' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority and the Borrower with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022A Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Authority and the Borrower from time to time relating to the Series 2022A Bonds.

Dated: _____, 2021

HERBERT J. SIMS & CO., INC.,
as Underwriter

By: _____

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SCHEDULE A

SALE PRICES OF THE [BONDS] [GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]

(Attached)

[SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)]

B-1

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

B-2

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE ISSUER

B-3

EXHIBIT E

FORM OF OPINION OF COUNSEL TO THE CORPORATION

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_____, 2021

Public Finance Authority
Madison, Wisconsin

Searstone Retirement Community
Cary, North Carolina

Ladies and Gentlemen:

The undersigned, **HERBERT J. SIMS & CO., INC.** (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the **PUBLIC FINANCE AUTHORITY** (the “Issuer”) and **SAMARITAN HOUSING FOUNDATION, INC.** d/b/a Searstone Retirement Community (the “Corporation”), which will become binding upon the Issuer, the Corporation and the Underwriter upon the Issuer’s and the Corporation’s acceptance evidenced by execution of this Bond Purchase Agreement. Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the hereinafter defined Bond Indenture, Loan Agreement, or Master Indenture.

Section 1. Background.

(a) The Issuer is a unit of government and a body corporate and politic of the State of Wisconsin, organized and existing pursuant to the provisions of Wisconsin law, in particular Section 66.0301, 66.0302 and 66.0304 of Wisconsin Statutes, as amended (the “Act”), and is authorized to issue its revenue bonds pursuant to the Act for the purposes described herein.

(b) The Issuer, at the request of the Corporation, has determined to issue its (i) Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A (Forward Delivery), in the aggregate principal amount of \$_____ (the “Series 2023A Bonds”).

(c) The Series 2023A Bonds are being issued for the purpose of (a) refunding all of the Issuer’s Refunding Revenue Bonds (Searstone CCRC Project) Series 2017A and Revenue Bonds (Searstone CCRC Project) Series 2017B (the “Refunded Bonds”), (b) funding a debt service reserve fund, if necessary and (c) paying a portion of the costs of issuance of the Series 2023A Bonds.

(d) The Series 2023A Bonds are to be issued pursuant to the Act, a resolution of the Board of Directors of the Issuer (the “Governing Body”) adopted on September __, 2021 (the “Resolution”) and an Indenture of Trust, dated as of March 1, 2023 (the “Bond Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (the “Bond Trustee”).

(e) The Authority previously approved its Revenue Bonds (Searstone CCRC Project) Series 2021A (the “Series 2021A Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1 (the “Series 2021B-1 Bonds”), its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2 (the “Series

BOND PURCHASE AGREEMENT

Dated as of _____, 2021

Relating to:

§ _____
**PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BONDS
(SEARSTONE CCRC PROJECT)
SERIES 2023A (FORWARD DELIVERY)**

2021B-2 Bonds”), and its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable (the “Series 2021C Bonds” and, together with the Series 2021A Bonds, Series 2021B-1 Bonds and Series 2021B-2 Bonds, the “Series 2021 Bonds”), which are expected to be issued on or after October 15, 2021, pursuant to a separate approval resolution, for the purpose of (1) financing capital expenditures, including but not limited to, costs relating to the 2021 Project (as defined below), (2) refunding all of the Authority’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2020A and Series 2020B Taxable, (3) funding capitalized interest on the Series 2021 Bonds, (4) funding one or more debt service reserve funds, and (5) paying a portion of the costs of issuance of the Series 2021 Bonds by the Authority.

(f) The 2021 Project (as defined below) consists of (i) the further expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (A) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (B) 29 additional assisted living units, including 14 specialized memory care units, (C) 24 skilled nursing suites, (D) new green spaces and landscaping improvements, and (E) renovations to the current clubhouse to re-purpose common areas, and (ii) the modification, improvement, and enhancement of certain infrastructure serving the Community (collectively, the “2021 Project”).

(g) The Authority has previously approved the issuance of its Revenue Bonds (Searstone CCRC Project), Series 2022A (the “Series 2022A Bonds”), which are expected to be issued on March 3, 2022, pursuant to a separate approval resolution, for the purpose of (1) refunding the Authority’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2016 (the “Series 2016 Bonds”), (2) funding a debt service reserve fund, if necessary and (3) paying a portion of the costs of issuance of the Series 2022A Bonds.

(h) The Issuer will lend the proceeds of the Series 2023A Bonds to the Corporation pursuant to a Loan Agreement, dated as of March 1, 2023 (the “Loan Agreement”), between the Issuer and the Corporation. The obligation of the Corporation to make loan payments under the Loan Agreement in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2023A Bonds will be evidenced by the Corporation’s Series 2023A Master Obligation, in the principal amount of \$[2023 Amount], payable to the Issuer (the “Series 2023A Obligation”), issued pursuant to the Second Amended and Restated Master Trust Indenture dated as of July 31, 2019, as supplemented (the “Master Indenture”), between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”), as supplemented by Supplemental Indenture Number 1, dated as of June 1, 2012, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 1, dated as of such date (“Supplemental Indenture Number 1”); Supplemental Indenture Number 2, dated as of December 1, 2016, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 2, dated as of July 31, 2019 (“Supplemental Indenture Number 2”); and Supplemental Indenture Number 3, dated as of December 1, 2017, was amended and restated pursuant to Amended and Restated Supplemental Indenture Number 3, dated as of July 31, 2019 (“Supplemental Indenture Number 3”), Supplemental Indenture Number 4, dated as of June 1, 2020, between the Corporation and the Master Trustee dated as of June 1, 2020 (“Supplemental Indenture Number 4”), Supplemental Indenture Number 5, dated as of October 1, 2021, between

the Corporation and the Master Trustee (“Supplemental Indenture Number 5”), Supplemental Indenture Number 6, dated as of March 1, 2022, between the Corporation and the Master Trustee (“Supplemental Indenture Number 6”) and Supplemental Indenture Number 7, dated as of March 1, 2023 (“Supplemental Indenture Number 7”). Each Member of the Obligated Group under the Master Indenture will be jointly and severally liable for the payment of the principal of, premium, if any and interest on all Obligations, including the Series 2023A Obligation; however, as of the hereinafter defined Closing Date the Corporation will be the only Member of the Obligated Group.

(i) Under the terms of the Master Indenture, the Corporation has pledged and granted to the Master Trustee its interests in all personal property, Revenues, the funds established under the Master Indenture and any other property subjected to the lien of the Master Indenture, among other items. Additionally, the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021 (the “Deed of Trust”), from the Corporation in favor of the Master Trustee, conveys security title to certain real property of the Corporation and related interests (collectively referred to therein as the “Mortgaged Property”). On the Closing Date, the Issuer will assign its rights, title and interests in the Series 2023A Obligation to the Bond Trustee pursuant to the Bond Indenture.

(j) The Issuer proposes to sell the Series 2023A Bonds to the Underwriter as hereinafter described. The Series 2023A Bonds will be sold to the Underwriter, who will in turn offer the Series 2023A Bonds to persons or entities whom the Underwriter reasonably believes to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) or “accredited investors” as defined in Rule 501 under the Securities Act (collectively, “Eligible Purchasers”), at the prices, bearing interest at the rates and maturing on the dates set forth in Exhibit A.

(k) It is contemplated that the interest on the Series 2023A Bonds (also known as the “Tax-Exempt Bonds”) will be excludible from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”).

(l) A Preliminary Official Statement dated _____, 2021 and an Official Statement dated _____, 2021, each relating to the Series 2023A Bonds, the Series 2022A Bonds and the Series 2021 Bonds (collectively and including all exhibits and appendices thereto, the “Official Statement”) has been supplied to the parties hereto.

(m) The Corporation acknowledges that the Issuer will sell the Series 2023A Bonds to the Underwriter and the Underwriter will make an offering thereof to Eligible Purchasers in reliance on the representations, covenants and indemnities herein set forth.

(n) The Underwriter is purchasing the Series 2021 Bonds pursuant to a Bond Purchase Agreement dated on even date herewith (the “Series 2021 Bond Purchase Agreement”) by and among the Issuer, the Corporation and the Underwriter.

Section 2. Purchase, Sale and Closing.

(a) On the terms and conditions set forth herein, and in Exhibit A hereto, the Underwriter agrees to buy all, but not less than all, of the Series 2023A Bonds from the Issuer,

and the Issuer shall sell the Series 2023A Bonds to the Underwriter. The Series 2023A Bonds are being purchased by the Underwriter, for a purchase price of \$_____ (representing the par amount of the Series 2023A Bonds of \$_____, less/plus original issue discount/premium of \$_____ less an underwriter's discount of \$_____). The Issuer and the Corporation understand that the Underwriter may change the initial offering prices or yields on the Series 2023A Bonds. The Underwriter agrees to notify the Corporation of such changes, if such changes occur prior to the Closing, but failure to so notify shall not invalidate such changes. The Underwriter may offer and sell the Series 2023A Bonds to certain dealers (including dealers depositing Series 2023A Bonds into investment trusts) at prices lower than the public offering prices stated on the inside cover page of the Official Statement.

(b) The Issuer and the Corporation acknowledge and agree that (i) the purchase and sale of the Series 2023A Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Corporation, and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act), an agent or a fiduciary of the Issuer or the Corporation; (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer or the Corporation with respect to (a) the offering of the Series 2023A Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer or the Corporation on other matters) or (b) any other contractual obligation to the Issuer or the Corporation except the obligations expressly set forth in this Bond Purchase Agreement; (iv) the Issuer and the Corporation have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Series 2023A Bonds; and (v) the Underwriter has financial and other interests that differ from those of the Issuer and the Corporation.

(c) All fees and expenses of the Issuer incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Series 2023A Bonds to the Underwriter (including, but not limited to, meals, transportation, and lodging of employees of such entities), the fees and expenses of consultants and rating agencies, the fees and expenses of Bond Counsel and counsel for the Corporation, and the fees and expenses of any other counsel or expert retained by the Issuer shall be paid from the proceeds of the Series 2023A Bonds or any other available funds of the Corporation. It is understood that the Corporation will pay the costs of printing and distributing the Preliminary Official Statement, the Official Statement, the Blue Sky Memorandum, if any, and the Legal Investment Survey, if any, and all out-of-pocket expenses of the Underwriter, including travel and other expenses, and the fees and expenses of counsel to the Underwriter.

(d) At or before 10:00 a.m., Eastern Time, on _____, 2021, or at such other time or at such other date as shall have been mutually agreed upon by the Issuer, the Corporation and the Underwriter (the "Preliminary Closing Date" or the "Preliminary Closing"), the certificates, opinions and other documents required by Section 8 hereof shall be executed and delivered (all of the foregoing actions are herein referred to collectively as the "Preliminary Closing"). The Preliminary Closing shall take place on the Preliminary Closing Date at the offices of Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, or at such other location as shall be mutually agreed upon by the Issuer, the Corporation and the Underwriter.

Assuming the Preliminary Closing is consummated in accordance with the provisions of this Agreement, then, subject to the provisions of this Agreement, the Underwriter shall be obligated to purchase the Series 2023A Bonds and pay the purchase price therefor at the Closing, except as otherwise provided for herein.

(e) At or before 10:00am, Eastern Time, on March 3, 2023, or at such other time or at such other date as shall have been mutually agreed upon by the Issuer, the Corporation and the Underwriter (the "Closing Date" or the "Closing"), the Series 2023A Bonds shall be delivered in book-entry form (all of the Series 2023A Bonds to be printed, duly executed, and authenticated, in the form of a single fully registered bond for each stated maturity of each series of the Series 2023A Bonds) to the Underwriter through the facilities of The Depository Trust Company, New York, New York, or such other means as may be mutually agreed upon, for the account of the Underwriter against payment of the purchase price therefor by wire transfer payable in immediately available funds.

(f) In connection with the issuance and sale of the Series 2023A Bonds, (i) the Corporation acknowledges that the Underwriter is expending considerable time and effort to effect the sale of the Series 2023A Bonds, (ii) the Corporation is satisfied with the level of savings generated by the refunding of the Refunded Bonds, (iii) the Corporation acknowledges that during the period between the date hereof and the Closing Date market conditions might allow for greater savings or other benefits if the Corporation were to consummate a different refunding transaction instead of the refunding transaction contemplated herein and (iv) despite the possibility that there may be future market conditions that would lead to greater savings for the Corporation, the Corporation shall use its best efforts and shall act in good faith to cause the Series 2023A Bonds to be issued and sold to the Underwriter as contemplated herein. However, in the event the Corporation is unable, after using its best efforts, to satisfy the conditions contained herein (unless waived by the Underwriter) by the time the satisfaction of such conditions is required, then this Agreement shall terminate, and none of the Corporation, the Issuer or the Underwriter shall have any further obligation or liability to, or any rights against, the other, except as otherwise provided herein, including, but not limited to, the provisions relating to indemnification and the payment of fees, to the extent applicable.

(g) The Underwriter agrees to assist the Issuer in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate substantially in the form attached hereto as Exhibit B, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to Eligible Purchasers of the Tax-Exempt Bonds. The Issuer will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). The Underwriter acknowledges that sales of any Tax-Exempt Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(A) "public" means any Eligible Purchaser other than an underwriter or a related party,

(B) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to Eligible Purchasers),

(C) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(D) “sale date” means the date of execution of this Agreement by all parties.

Section 3. Issuer Representations. The Issuer hereby confirms to the Underwriter its representations made in the Bond Indenture. The Issuer further represents as follows:

(a) The information with respect to the Issuer under the headings “SHORT STATEMENT – The Issuer,” “THE ISSUER” and “LITIGATION – The Issuer” in the Official Statement (collectively, the “Issuer Disclosures”) is true and correct in all material respects, and does not contain any untrue statement of a material fact relating to the Issuer or omit to state a material fact relating to the Issuer that is necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading, it being understood that the Issuer is not making any representation as to the truth, accuracy or completeness of the Official Statement, other than as stated hereinabove.

(b) The Issuer is a joint powers commission organized and existing under the laws of the State of Wisconsin and has full power and authority to adopt the Resolution, to enter into and perform its obligations under the Bond Indenture, the Loan Agreement and this Bond Purchase Agreement and the hereinafter defined Tax Agreement (collectively, the “Issuer Documents”). The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, will constitute valid and binding obligations of the Issuer, enforceable in accordance with their terms (subject to any applicable bankruptcy, insolvency, moratorium or the similar laws or equitable principles affecting creditors’ rights or remedies generally, the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers commissions or governmental units in the State of Wisconsin).

(c) The adoption of the Resolution and the execution of the Issuer Documents and the issuance of the Series 2023A Bonds, and compliance by the Issuer with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, deed of trust, mortgage, agreement, or other instrument to which the Issuer is a party, or to the Issuer’s knowledge, conflict with, violate, or result in a breach of any existing law, public administrative rule or regulation, judgment, court order or consent decree to which the Issuer is subject.

(d) The Resolution and the forms of the Issuer Documents and the Series 2023A Bonds were adopted or approved at a duly convened meeting of the Governing Body, with respect to which all legally required notices were duly given, and at which meeting a quorum was present and acting at the time of adoption thereof.

(e) Any certificate signed by an Authorized Signatory (as defined in the Resolution) of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements made therein.

(f) The Series 2023A Bonds are special limited obligations of the Issuer payable solely from the Trust Estate pledged under the Bond Indenture. The Series 2023A Bonds are not a debt or liability of the State of Wisconsin, any Member (as defined in the Loan Agreement) of the Issuer, or of any political subdivision approving the issuance of the Series 2023A Bonds. The Series 2023A Bonds do not, directly, indirectly or contingently, obligate, in any manner, any Member of the Issuer, the State of Wisconsin or any political subdivision thereof to levy any tax or to make any appropriation for payment of the Series 2023A Bonds. Neither the faith and credit nor the taxing power of the State of Wisconsin or any political subdivision thereof, any Member, any Sponsor (as defined in the Loan Agreement), any Issuer Indemnified Person (as defined in the Loan Agreement) or any political subdivision approving the issuance of the Series 2023A Bonds nor the faith and credit of the Issuer shall be pledged to the payment of the principal of, premium, if any, or interest on the Series 2023A Bonds. The Issuer has no taxing power.

(g) It is specifically understood and agreed that the Issuer makes no representation as to the financial position or business condition of the Corporation and does not represent or warrant as to any of the statements, information (financial or otherwise), representations or certifications furnished or to be made and furnished by or on behalf of the Corporation in connection with the sale of the Series 2023A Bonds, or as to the correctness, completeness or accuracy of such statements.

(h) The Issuer Portion of the Official Statement is “deemed final” as of its date by the Issuer for purposes of Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for the permitted omissions described in paragraph (b)(1) of the Rule, if any.

Section 4. Corporation Representations. The Corporation makes the following representations and warranties, all of which shall survive the Closing.

(a) The Corporation is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Georgia with authority to transact business in the State of North Carolina. The Corporation has full power and authority to execute and deliver the Loan Agreement, Supplemental Indenture Number 7, the Series 2023A Obligation, the Continuing Disclosure Certificate (described below), this Bond Purchase Agreement, the Deed of Trust and all other documents to which it is a party and which relate to the Series 2023A Bonds (collectively, the “Corporation Documents”), and to undertake and perform its obligations thereunder and hereunder.

(b) The Corporation has received a letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income tax under Section 501(a) of the Code. The Corporation is in compliance with all terms, conditions, and limitations, if any, contained in such letter and the statements made in the application to the Internal Revenue Service for such letter are true and accurate and the facts presented in such requests do not deviate in any material respect from the facts of the transactions contemplated by the Official Statement. The income of the Corporation is not subject to any taxes based on net income pursuant to the laws of the State of North Carolina except unrelated business income. The Corporation has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified or that the Internal Revenue Service is considering revoking or modifying such exemption.

(c) The Corporation is organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder, or individual.

(d) The execution and delivery of, and compliance with the terms and conditions of, the Corporation Documents, and the carrying out and consummation of the transactions contemplated thereby and by the Official Statement, will not violate or conflict with any provision of any statute, or any rule, order, regulation, judgment or decree of any court, authority, or other governmental or administrative board or body to which the Corporation is subject, or conflict with or constitute a breach of or a default under any provision of the Corporation’s articles or certificate of incorporation or bylaws, or any indenture, mortgage, deed of trust, material agreement or other material instrument to which the Corporation is a party or by which the Corporation or its properties are bound.

(e) The representations and warranties of the Corporation contained in the Corporation Documents are on the date hereof (and as of the Closing Date will be) true and correct, and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading in the light of the circumstances under which they were made.

(f) The information contained in the Official Statement under the headings entitled “THE CORPORATION,” “PLAN OF FINANCE,” “ESTIMATED SOURCES AND USES OF FUNDS,” “SECURITY FOR THE BONDS,” “BONDHOLDERS’ RISKS,” “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Prior Compliance,” “LITIGATION – The Corporation” and “CERTAIN RELATIONSHIPS” and information

contained in Appendix A, B and C thereto, and summaries of such information under the headings “SHORT STATEMENT” and “INTRODUCTION,” is on the date hereof (and as of the Closing Date will be) true and correct and does not on the date hereof (and as of the Closing Date will not) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. The Corporation has approved and consents to the use of the Official Statement by the Underwriter.

(g) The audited financial statements of the Corporation for the fiscal years ended December 31, 2020 and December 31, 2019 contained in Appendix B to the Official Statement present fairly the financial position of Corporation as of the dates indicated and the results of its operations and changes in net assets for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved except as stated in the notes thereto. Except as described in the Official Statement, since December 31, 2020, there has been no material adverse change in the activities, properties, financial position or results of operations of the Corporation.

(h) The execution and delivery by the Corporation of the Corporation Documents and all other documents to be delivered by the Corporation in connection with the issuance of the Series 2023A Bonds has been duly authorized by the Corporation, and on or prior to the Closing Date, each of such documents will have been duly executed and delivered by the Corporation, will not have been amended, modified or rescinded and will be in full force and effect as of the Closing Date.

(i) All licenses, consents, permits, approvals or authorizations, of any federal, state or local governmental issuer required on the part of the Corporation to be obtained in connection with the issuance of the Series 2023A Bonds for the purposes described in the Official Statement, the execution and delivery of the Corporation Documents, and the performance by the Corporation of its obligations thereunder and hereunder and the Corporation’s consummation of the transactions contemplated thereby and by the Official Statement, have been duly obtained or are expected to be obtained in due course. The Corporation has complied, or by the Closing Date will have complied, with all applicable provisions of law requiring any designation, declaration, filing, registration or qualification with any governmental issuer in connection therewith, other than as may be required by state or federal securities laws.

(j) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental authority, or public board or body pending or threatened which: (i) affects or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2023A Bonds, the execution and delivery of the Corporation Documents; (ii) affects adversely or questions the validity or enforceability of the Corporation Documents; (iii) questions the corporate power or authority of the Corporation to perform its obligations under or to consummate the transactions contemplated by, the Corporation Documents; or (iv) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation. The Corporation is not in default in any material respect under any applicable statute, rule, order or regulation of any governmental body.

(k) The Corporation has created no other lien, encumbrance or security interest with respect to the Mortgaged Property or the Trust Estate other than those permitted in the Master Indenture.

(l) Any certificate delivered at Closing, signed by any director or officer of the Corporation and delivered to the Issuer or the Underwriter shall be deemed a representation and warranty by the Corporation to the Issuer or the Underwriter as to the truth of the statements made therein.

Section 5. Covenants of the Issuer. The Issuer will:

(a) Cooperate in qualifying the Series 2023A Bonds for offer and sale under the Blue Sky Laws of jurisdictions designated by the Underwriter, provided that the Issuer shall not be required to qualify to do business or consent to service of process in any state or jurisdiction other than the State of Wisconsin; and

(b) Comply with its representations and covenants contained in the Tax Certificate and Agreement (the “Tax Agreement”) dated March __, 2023, between the Issuer and the Corporation to be delivered at the Closing.

Section 6. Covenants of the Corporation. The Corporation agrees that it will:

(a) Promptly notify the Underwriter and the Issuer of any material change with respect to the Mortgaged Property or the Corporation’s operations, properties or financial condition occurring before Closing which would require a change in the Official Statement in order to make the information contained therein not misleading in connection with the offering of the Series 2023A Bonds; and

(b) Refrain from taking any action, or voluntarily permitting any action to be taken, with regard to which it may exercise control, that results in the loss of the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes; and

(c) Indemnify and hold harmless the Issuer and the Underwriter and their respective directors, officers, agents and employees, past, present and future, and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) any of such parties (hereinafter collectively called the “Indemnified Parties”), against any and all losses, claims, damages, liabilities, reasonable costs or reasonable expenses whatsoever arising out of either (i) any breach by the Corporation of any of its representations and warranties as set forth in Section 4 hereof; or (ii) any allegation that there is any untrue statement of a material fact contained in the Official Statement, or that the Official Statement omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, provided that the Corporation shall not be obligated to indemnify: (i) the Issuer with respect to information in or omissions from the Official Statement under the headings “SHORT STATEMENT – The Issuer,” “THE ISSUER” and “LITIGATION – The Issuer”; or (ii) the Underwriter with respect to information in or omissions from the Official Statement under the heading “UNDERWRITING” or on the cover and inside cover pages relating to the principal amounts, interest rates, price or yield on the Series 2023A Bonds. In case any action shall be brought against one or more of the Indemnified Parties with respect to the matters

subject to the indemnity provided by this subsection (d), the Indemnified Party or Parties shall promptly notify the Corporation in writing, and the Corporation shall promptly assume the defense thereof, including the employment of counsel, and pay all related expenses, provided the Corporation has the sole right to negotiate and consent to settlements. If the defendants in any action for which indemnity is required hereunder include both the Corporation and an Indemnified Party and such Indemnified Party shall have been advised in writing by its counsel that defenses are available to such Indemnified Party which are not available to the Corporation and that it would be inappropriate for the same counsel to represent both the Corporation and the Indemnified Party, such Indemnified Party shall have the right to employ its own counsel in such action, in which event the Corporation shall reimburse the Indemnified Party for any reasonable legal and other expenses incurred by the Indemnified Party arising out of or in connection with the defense thereof. The Corporation shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of the Corporation, or if there be final judgment for the plaintiff in any such action with or without consent, the Corporation agrees to indemnify and hold harmless the Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this subsection (d). Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action, and to participate in the defense thereof, but the fees and expenses of such counsel shall, other than as provided above, be at the expense of such Indemnified Party or Parties, unless the employment of such counsel has been specifically authorized by the Corporation. The indemnity provided in this subsection (d) includes reimbursement for reasonable expenses incurred by the Indemnified Parties in investigating the claim and in defending it if the Corporation declines to assume the defense. The indemnity provided in this subsection (d) shall survive the Closing.

(d) Deliver to the Underwriter, concurrently with its delivery thereof to the Master Trustee, any Officer’s Certificate required to be delivered under the Master Indenture;

(e) Whenever the Corporation is required to appoint a Consultant pursuant to Section 4.24 of the Master Trust Indenture, or proposes to appoint a new Consultant, or proposes to appoint a new Manager or a new Marketing Consultant (whether or not required pursuant to the Master Indenture), give prior notice to the Underwriter of the person or persons, or firm or firms, it is considering for such appointment, but shall not appoint any such person or firm which is unsatisfactory to the Underwriter.

(f) Comply with its obligations pursuant to the Continuing Disclosure Certificate.

Section 7. Official Statement. The Corporation (i) has prepared or caused the preparation of the Official Statement; (ii) shall provide to the Underwriter sufficient copies of the Official Statement, which the Corporation deems complete as of its date, in sufficient time to accompany any confirmation that requires payment from any customer and in any event within seven business days after the date of this Bond Purchase Agreement; and (iii) agrees to notify the Underwriter of any material developments with respect to the Issuer, the Corporation, their respective businesses and operations, or the Series 2023A Bonds during the period that the Official Statement is required to be delivered in connection with sales of the Series 2023A Bonds and for a period thereafter as long as the Underwriter is obligated to deliver an Official Statement. Unless otherwise notified in writing by the Underwriter on or before the Closing

Date, the Issuer and the Corporation may assume that the “end of the underwriting period” for the purposes of the Rule shall be the Closing Date.

(a) The Issuer consents to the distribution of and the Corporation authorizes the use of the Official Statement by the Underwriter in connection with the offering of the Series 2023A Bonds. The Underwriter acknowledges that the Issuer has not participated in the preparation of the Official Statement and has made no independent investigation and has furnished no information contained in the Official Statement, except the information contained in the Issuer Disclosures, and the Issuer has not confirmed, and assumes no responsibility for, the accuracy, sufficiency, completeness or fairness of any of the statements in the Official Statement (except with respect to the information therein under the Issuer Disclosures) or any supplements thereto or in any reports, financial information, offering or disclosure documents or other information in any way used in connection with or relating to the offering and sale of the Series 2023A Bonds, the Corporation or the Underwriter.

(b) Notwithstanding any prior amendments or supplements to the Official Statement made pursuant to this Section, the Corporation shall prepare a supplement to the Official Statement (the “Official Statement Supplement”) to the extent necessary to update the Official Statement so as to assure its accuracy as of the Closing Date not more than twenty-five (25) days or less than five (5) days prior to the Closing Date which, as of such date, will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Corporation shall furnish the Official Statement Supplement to the Underwriter not later than one (1) business day prior to the Closing Date in such quantity as the Underwriter shall reasonably require.

(c) After the Closing, the Issuer and the Corporation will not adopt or distribute any amendment of or supplement to the Official Statement or the Official Statement Supplement, except with the prior written consent of the Underwriter; and if any event relating to or affecting the Issuer, the Corporation, their respective businesses and operations, the Community or the Series 2023A Bonds shall occur, the result of which shall make it necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement or the Official Statement Supplement in order to make it not misleading in light of the circumstances existing at that time, the Corporation shall forthwith prepare, and the Corporation shall approve for distribution, a reasonable number of copies of an amendment of or supplement to the Official Statement or the Official Statement Supplement, in form and substance satisfactory to the Underwriter, so that the Official Statement or the Official Statement Supplement then will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances existing at that time, not misleading. The Issuer shall cooperate, at the expense of the Corporation, with the Corporation in the issuance and distribution of any such amendment or supplement.

(d) Pursuant to the Continuing Disclosure Certificate dated as of March 1, 2023 (the “Continuing Disclosure Certificate”) by the Corporation, the Corporation will undertake to provide the financial information, operating data and notices of the occurrence of certain material events specified in the Continuing Disclosure Certificate in Appendix G to the Official Statement thereto at the times, to the persons and in the manner set forth therein.

Section 8. Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, covenants and agreements of the Issuer and the representations, warranties, covenants and agreements of the Corporation herein and the performance by the Issuer and the Corporation of their obligations hereunder, all as of the date hereof and as of the date of the Preliminary Closing. The Underwriter’s obligation under this Agreement to purchase and pay for the Series 2023A Bonds is subject to the performance by the Issuer and the Corporation of their respective obligations to be performed at or prior to the Preliminary Closing and shall be subject to the following further conditions:

(A) At the time of the Preliminary Closing (1) the Master Indenture, the Deed of Trust and the Official Statement shall be in full force and effect and shall not have been materially amended, modified or supplemented except as may have been agreed to by the Underwriter, (2) the Issuer and the Corporation shall have duly adopted and there shall be in full force and effect such resolutions as in the opinion of Bond Counsel (as defined below) shall be necessary in connection with the transactions contemplated hereby, and (3) the Issuer and the Corporation shall have performed all their obligations under this Contract of Purchase required to be performed at or prior to the Preliminary Closing;

(B) The Underwriter shall have the right to cancel its obligations to purchase the Series 2023A Bonds, and shall provide written notice to the Issuer and the Corporation of the same, if between the date hereof and the Preliminary Closing (1) legislation shall have been enacted or introduced by the Congress of the United States, or adopted by either House of the Congress, or enacted or introduced by the General Assembly of the State of North Carolina, or adopted by either House of the General Assembly, or shall have been reported out of committee of either the Congress or the General Assembly, or be pending in committee of either the Congress or the General Assembly, or a decision shall have been rendered by a court of the United States, including the Tax Court of the United States, or a court of the State of North Carolina, or a ruling or an official release shall have been made or a regulation or temporary regulation shall have been proposed or made or a press release or some other form of notice or announcement shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal or state authority having jurisdiction over tax matters, with respect to federal or State of North Carolina taxation upon revenues or other income of the general character to be derived by the Issuer or the Corporation, or upon interest received on obligations of the general character of the Series 2023A Bonds, or other action or events shall have transpired which would, in the reasonable judgment of the Underwriter, have the purpose or effect, directly or indirectly, of changing the federal or State of North Carolina tax consequences of any of the transactions contemplated in connection herewith, or (2) there shall occur any event, which in the reasonable judgment of the Underwriter (A) would have a material and adverse effect on the market price or marketability of the Series 2023A Bonds, (B) would make untrue, incorrect or incomplete in any material respect any statement or information contained in the Official Statement, or (C) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained

therein, under the circumstances in which they were made, not materially misleading, or (3) in the reasonable judgment of the Underwriter, the market price or marketability of the Series 2023A Bonds or the ability of the Underwriter to enforce contracts for the sale of Series 2023A Bonds shall have been materially adversely affected by an amendment of or supplement to the Official Statement, notwithstanding the Underwriter's approval of such amendment or supplement prior to its distribution, or (4) there shall have occurred any outbreak or escalation of hostilities or other local, national or international calamity or crisis (including terrorist activity involving United States concerns), or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, the Issuer, any state of the United States or agency thereof, or any county or city located in the United States having a population of over one million persons, the effect of which on the financial markets of the United States will be such as, in the reasonable judgment of the Underwriter, makes it impracticable for the Underwriter to market the Series 2023A Bonds or enforce contracts for the sale of the Series 2023A Bonds, or (5) there shall have occurred and be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of a determination by any such exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (6) a general banking moratorium shall have been declared by federal, State of North Carolina or State of New York authorities having jurisdiction and be in force, or (7) there shall occur any material adverse change in the affairs of the Issuer or the Corporation that is not disclosed in the Official Statement, or (8) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the charge to the net capital requirements of underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order, or (9) a decision of any federal or state court or a ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would (A) make the Series 2023A Bonds, the Series 2023A Master Obligation, any securities of the Issuer or securities similar to the Series 2023A Bonds subject to the registration requirements of the Securities Act of 1933, as amended, or (B) require the qualification of an indenture in respect of the Series 2023A Bonds or any such securities under the Trust Indenture Act of 1939, as amended; and

(C) At or prior to the Preliminary Closing, the Underwriter shall have received the following documents in form and substance satisfactory to the Underwriter and its counsel –

(1) Letter from Bond Counsel relating to the Series 2023A Bonds, dated the Preliminary Closing Date and addressed to the Issuer, to the effect that assuming satisfaction by the Issuer, the Corporation and the Underwriter of their respective obligations to be satisfied in this Agreement and the issuance of the Series 2023A Bonds on or around March 3, 2023, including, without limitation, the receipt of the necessary tax certifications from the Issuer, the Corporation and the Underwriter, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in its view, affect or are material to its opinion (including, without limitation, the existence of any litigation), that it intends to issue its opinion as of the Closing Date, in substantially the form set forth as Appendix E to the Official Statement, and a reliance letter with respect thereto or a supplemental letter allowing the Underwriter to rely on such letter;

(2) a supplemental opinion of Bond Counsel, dated the date of the Preliminary Closing and addressed to the Underwriter, substantially in the form attached hereto as Exhibit C;

(3) an opinion of Counsel to the Underwriter dated the Preliminary Closing Date addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(4) an opinion of counsel to the Issuer dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter substantially in the form of Exhibit D attached hereto;

(5) an opinion or opinions of counsel to the Corporation dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter, substantially in the form of Exhibit E attached hereto;

(6) a certificate of the Issuer dated the Preliminary Closing Date in form and substance satisfactory to the Underwriter;

(7) a certificate of the Corporation dated the Preliminary Closing Date to the effect that: (A) no litigation or proceeding of any kind is now pending or to the best knowledge of the Corporation, threatened against the Corporation before any court or agency of the United States of America, the State of Georgia or the State of North Carolina; (1) to restrain or enjoin the issuance or delivery of the Series 2023A Bonds, or materially and adversely affecting in any way the security for the Series 2023A Bonds, or (2) which might materially adversely affect the business or properties or financial condition of the Corporation, (3) in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Agreement, the performance by the Corporation of any of its obligations hereunder, or the consummation of any of the transactions contemplated hereby or by the Official Statement or (4)

wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation; (B) each of the representations and warranties of the Corporation contained in this Agreement is true and correct in all material respects as of the Preliminary Closing Date; each of the covenants and agreements of the Corporation contained in this Agreement which are required to be performed on or before the Closing Date have been duly performed; (C) no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Corporation under this Agreement or the Residency Agreements; (D) no event affecting the Corporation has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose in the Official Statement in order to make the statements and information contained therein not misleading as of the date of the Preliminary Closing; (E) the Corporation has no knowledge of any defect in title to the Site described in the Deed of Trust which is not (i) mentioned in the title report; or (ii) a Permitted Encumbrance; and (F) there has been no change or threatened change in the tax-exempt status of the Corporation;

(8) copies of the Resolution, together with a certification by the Issuer that the Resolution has not been amended or supplemented in any respect or repealed subsequent to the date of adoption thereof and is in full force and effect on the Preliminary Closing Date;

(9) Executed counterpart of the Official Statement;

(10) the written approval or consent of Dixon Hughes Goodman LLP, independent auditors, to the inclusion in the Official Statement of the financial statements of the Corporation in Appendix B thereto;

(11) agreed upon procedures letter from Dixon Hughes Goodman LLP, independent auditors, with respect to certain portions of the Official Statement, in form and substance satisfactory to the Underwriter;

(12) (1) a copy of the articles of incorporation of the Corporation, as amended, certified by the appropriate officer of the State of Georgia, together with proof of recent date, satisfactory to counsel to the Underwriter of the existence of the Corporation and its authority to do business in the State of North Carolina and (2) copies of the bylaws of the Corporation and resolutions of the Board of Directors of the Corporation authorizing the execution and delivery of the Corporation Documents and the approval of the Official Statement, certified by its Secretary or Assistant Secretary;

(13) evidence satisfactory to Bond Counsel that the Corporation is an organization described in Section 501(c)(3) of the Code, as amended;

(14) a copy of a mortgagee title insurance policy insuring the first priority lien of the Deed of Trust, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Series 2023A Bonds and all other secured indebtedness of the Corporation, together with a land survey prepared and certified by a licensed land surveyor, which shall be referenced in said title insurance policy;

(15) certificates of insurance showing coverage of the types and amounts set forth in the Loan Agreement and in the Master Indenture and a certificate of an Insurance Consultant (as defined in the Master Indenture), to the effect that the insurance coverage, with respect to type and amount, complies with the requirements of the Loan Agreement and the Master Indenture; and

(16) such other certificates, opinions and other documents as Bond Counsel, the Underwriter or their counsel may reasonably require.

If the Issuer or the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement on the Preliminary Closing Date (unless waived by the Underwriter after receiving written consent of such waiver by the Issuer), or if such obligations shall be terminated for any reason permitted by this Agreement, then this Agreement shall terminate and none of the Issuer, the Corporation or the Underwriter shall have any further obligation hereunder, except for the obligations of the Corporation with respect to indemnification and the payment of fees, which shall survive the termination of this Agreement.

Section 9. Events Permitting Underwriter to Terminate. The Underwriter may terminate its obligation to purchase the Series 2023A Bonds at any time after the Preliminary Closing Date and before the Closing Date if any of the following occur:

(a) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Series 2023A Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds so as to impair materially the marketability or to materially lower the market price thereof; or

(b) any action by the Securities and Exchange Commission or a court which would require registration of the Series 2023A Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Bond Indenture or Master Indenture under the Trust Indenture Act of 1939, as amended; or

(c) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or

international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, the effect of which on the financial markets of the United States shall be such as to make it impracticable for the Underwriter to enforce contracts for the sale of the Series 2023A Bonds; or

(d) any event or condition which, in the reasonable judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, as supplemented by the Official Statement Supplement; or

(e) pending or threatened litigation affecting or arising out of the issuance of the Series 2023A Bonds which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Series 2023A Bonds; or

(f) an Event of Default shall have occurred and be continuing under the Master Indenture or an event has occurred and is continuing that would be Event of Default under the Bond Indenture or the Loan Agreement and, in any case, which has not been cured as the Closing Date; or

(g) sufficient quantities of the Official Statement Supplement are not delivered to the Underwriter in a timely manner; or

(h) the Corporation shall fail to enter into the Continuing Disclosure Certificate.

If the Underwriter terminates its obligation to purchase the Series 2023A Bonds because any of the conditions specified in Section 8 or this Section 9 shall not have been fulfilled at or before the Closing, such termination shall not result in any liability on the part of the Issuer, the Underwriter, or, except for the payment of such costs of issuance described in Section 1(i) hereof (but not including the Underwriter's fee), the Corporation. If the Underwriter terminates its obligation to purchase the Series 2023A Bonds, the Corporation shall not be obligated to pay the fees and disbursements of counsel to the Underwriter unless such termination is a result of failure of the Corporation to perform its obligations under this Bond Purchase Agreement.

Section 10. Forward Delivery.

(a) The Underwriter has entered into this Agreement in reliance on the representations of the Issuer and the representations and warranties of the Corporation contained herein and to be contained in the documents and instruments to be delivered at the Preliminary Closing and the Closing, and on the performance by the Issuer and the Corporation of their respective obligations hereunder, both as of the Preliminary Closing Date and the Closing Date. Accordingly, the Underwriter's obligation under this Agreement to purchase and pay for the Series 2023A Bonds is subject to the performance by the Issuer and the Corporation of their respective obligations to be performed hereunder at or prior to the Closing Date, and shall also be subject to the conditions that at the time of the Closing (i) the representations of the Issuer and the representations and warranties of the Corporation (other than any representation as to the financial position or results of operation of the Corporation) contained herein are true, complete and correct with the same effect as if made on the Closing Date, (ii) this Agreement and the Corporation Documents are in full force and effect and have not been amended, modified or

supplemented except as may have been agreed to by the Underwriter, (iii) the Corporation has entered into the Continuing Disclosure Certificate, and (iv) the Issuer has duly adopted and there are in full force and effect such resolutions as in the opinion of Bond Counsel are necessary in connection with the transactions contemplated hereby, and such resolutions have not been amended, modified or supplemented. At the time of the Closing, the Official Statement Supplement shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter.

(b) On or prior to the Closing Date, the Underwriter shall receive the following documents in form and substance satisfactory to the Representative:

(1) (A) The approving opinion of Bond Counsel dated the Closing Date and in the form set forth as Appendix E to the Official Statement and substantially in the form heretofore delivered to the Underwriter and (B) the supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(2) The opinion of counsel to the Corporation, dated the Closing Date and addressed to the Underwriter, the Issuer and Bond Counsel, substantially in the form attached hereto and marked Exhibit E;

(3) The opinion of counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(4) an opinion of counsel to the Issuer dated the Preliminary Closing Date addressed to the Issuer, Bond Counsel and the Underwriter substantially in the form of Exhibit D attached hereto

(5) a certificate of the Issuer dated the Closing Date in form and substance satisfactory to the Underwriter;

(6) a certificate of the Corporation dated the Closing Date to the effect that: (A) no litigation or proceeding of any kind is now pending or to the best knowledge of the Corporation, threatened against the Corporation before any court or agency of the United States of America, the State of Georgia or the State of North Carolina; (1) to restrain or enjoin the issuance or delivery of the Series 2023A Bonds, or materially and adversely affecting in any way the security for the Series 2023A Bonds, or (2) which might materially adversely affect the business or properties or financial condition of the Corporation, (3) in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Corporation Documents, or any other documents executed by the Corporation in connection with the Series 2023A Bonds, the performance by the Corporation of any of its obligations thereunder, or the consummation of any of the transactions contemplated thereby or by the Official Statement or (4) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the condition (financial or otherwise), operation, property, assets, power, or authority of the Corporation; (B) each of the representations and warranties of

the Corporation contained in the Corporation Documents is true and correct in all material respects as of the Closing Date; each of the covenants and agreements of the Corporation contained in the Corporation Documents which are required to be performed on or before the Closing Date have been duly performed; (C) no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Corporation under the Corporation Documents or the Residency Agreements; (D) no event affecting the Corporation has occurred since the date of the Official Statement Supplement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose in the Official Statement Supplement in order to make the statements and information contained therein not misleading as of the date of the Closing; (E) the Corporation has no knowledge of any defect in title to the Site described in the Deed of Trust which is not (i) mentioned in the title report; or (ii) a Permitted Encumbrance; and (F) there has been no change or threatened change in the tax-exempt status of the Corporation;

(7) Certificates, dated the Closing Date, signed by an authorized officer of the Corporation, to the effect that (A) attached thereto is a copy of the articles of incorporation of such Corporation, and all amendments thereto, certified as of a recent date by the Secretary of State of the State of Georgia, and that such documents have not been amended since such date; (B) attached thereto is a true and complete copy of the bylaws of the Corporation, as in effect on the date of such certification, and (C) attached thereto is a true and complete copy of the resolutions of the Board of Directors of the Corporation, authorizing the execution and delivery of the Corporation Documents and the approval of the Official Statement, the Official Statement Supplement and the Bond Indenture, and all transactions contemplated by such documents;

(8) Certificate, dated no earlier than ten days prior to the Closing Date, issued by the Secretary of State of the State of Georgia to the effect that the Corporation is in existence as of the date of such certificate;

(9) Copies of the current licenses to operate the Community (as defined in the Master Indenture), certified as of the date of the Closing by an officer of the Corporation;

(10) Executed counterparts or certified copies, as applicable, of the Issuer Documents and the Corporation Documents;

(11) Evidence satisfactory to Bond Counsel the Corporation is an organization described in Section 501(c)(3) of the Code;

(12) Evidence satisfactory to Bond Counsel that the arbitrage provisions of the Code have been satisfied and a completed Internal Revenue Service Form 8038 signed by an authorized representative of the Issuer;

(13) Copies, certified by an appropriate officer of the Master Trustee, of the authorization of the Master Trustee to perform its agreements under the Master Indenture, as supplemented;

(14) Copies, certified by an appropriate officer of the Bond Trustee of the authorization of the Bond Trustee to perform its agreements under the Bond Indenture;

(15) Specimen Series 2023A Bonds;

(16) The opinion of Bond Counsel to the effect that the Refunded Bonds are no longer "Outstanding" within the meaning of the bond indenture pursuant to which the Refunded Bonds were issued; and

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Bond Counsel or counsel to the Underwriter may reasonably request to evidence compliance by Issuer and the Corporation with legal requirements, the truth and accuracy as of the time of the Closing of the representations and warranties herein contained and the due performance or satisfaction by the Issuer and the Corporation at or prior to such time of all covenants or agreements then to be performed and all conditions then to be satisfied by the Issuer and the Corporation.

If the Issuer or the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement on the Closing Date (unless waived by the Underwriter), or if such obligations shall be terminated for any reason permitted by this Agreement, then this Agreement shall terminate and none of the Issuer, the Corporation or the Underwriter shall have any further obligation hereunder, except for the obligations of the Corporation with respect to indemnification and the payment of fees, which shall survive the termination of this Agreement.

Section 11. Notices and Other Actions. All notices, demands and formal actions hereunder shall be in writing mailed, emailed, faxed or delivered to:

The Issuer:

Public Finance Authority
c/o The Wisconsin Counties Association
22 East Mifflin Street, Suite 900
Madison, Wisconsin 53703
Attention: Scott Carper
Email: scarper@pfauthority.org

The Corporation:

Samaritan Housing Foundation, Inc.
 One Atlantic Center
 1201 West Peachtree Street, NW, Suite 3250
 Atlanta, Georgia 30339
 Attention: President
 Facsimile: (404) 888-9577

With a copy to:

Samaritan Housing Foundation, Inc.
 d/b/a Searstone Retirement Community
 17001 Searstone Drive
 Cary, NC 27513
 Attention: Executive Director and Chief Financial Officer

With a copy to:

K&L Gates LLP
 Post Office Box 17047
 Raleigh, North Carolina 27619-7047
 Attention: Robert B. Womble
 Email: Robert.womble@klgates.com

The Underwriter:

Herbert J. Sims & Co., Inc.
 2150 Post Road, Suite 301
 Fairfield, CT 06824
 Attention: Aaron Rulnick, Managing Principal
 Email: arulnick@hjsims.com

Section 12. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin; provided that as to the Corporation, the laws of the State of North Carolina shall apply. This Bond Purchase Agreement may not be assigned by the Issuer, the Corporation or the Underwriter.

All claims of whatever character arising out of this Bond Purchase Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer, shall be brought in any state or federal court of competent jurisdiction located in Dane County, Wisconsin. By executing and delivering this Bond Purchase Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to

constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving political subdivisions of the State of Wisconsin that may exist at the time of and in connection with such matter.

Section 13. Successors. This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Underwriter and the Corporation and their respective successors and, as to Section 6(d) and Section 8(b), the directors, officers, employees and agents of the Issuer. No other person or entity shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The representations, warranties and agreements herein shall survive the issuance, sale and delivery of the Series 2023A Bonds.

Section 14. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, all of which taken together shall be one and the same instrument, and any parties hereto may execute this Bond Purchase Agreement by signing any such counterpart.

Section 15. Extent of Covenants; No Personal Liability; Indemnification. No covenant, stipulation, obligation or agreement of the Issuer contained in this Bond Purchase Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity; and no such person (including any such person executing the Series 2023A Bonds) shall be liable personally hereunder. Notwithstanding anything to the contrary herein, it is understood and agreed that nothing in Section 6(d) hereof or elsewhere in this Bond Purchase Agreement shall be deemed or construed as a modification of or limitation on the rights of the Issuer and the Issuer Indemnified Persons to indemnification from the Corporation under the indemnification provisions of the Loan Agreement, AND THAT SUCH INDEMNIFICATION PROVISIONS (INCLUDING SECTION 7.5 OF THE LOAN AGREEMENT) SHALL APPLY TO THIS BOND PURCHASE AGREEMENT AS IF FULLY SET FORTH HEREIN. THE CORPORATION FURTHER ACKNOWLEDGES THAT SECTION 7.5 OF THE LOAN AGREEMENT PROVIDES THAT THE CORPORATION SHALL RELEASE AND INDEMNIFY THE ISSUER INDEMNIFIED PERSONS AGAINST ITS OR THEIR OWN NEGLIGENCE OF ANY KIND, DEGREE OR DESCRIPTION. The Indemnified Parties in Section 6(d) hereof (other than the Issuer and the Underwriter) shall be considered to be intended third-party beneficiaries of this Bond Purchase Agreement for purposes of indemnification and exculpation from liability, the provisions of which shall be in addition to all liability that the Corporation may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Series 2023A Bonds, and the payment or provision for payment of the Series 2023A Bonds.

Section 16. Limitation of Recourse Against Issuer. Notwithstanding anything herein contained to the contrary by implication or otherwise: (i) the Series 2023A Bonds are the special limited obligations of the Issuer payable solely from funds pledged for their payment in accordance with the Bond Indenture and the Loan Agreement; (ii) the Members of the Issuer are not liable on the Series 2023A Bonds or on any other contract entered into in connection with the issuance of the Series 2023A Bonds (including this Bond Purchase Agreement), or for any other debt, obligation or liability of the Issuer, whether in tort, contract or otherwise; (iii) the Series 2023A Bonds are not a debt of any Member of the Issuer or the State of Wisconsin or any political subdivision thereof; and (iv) the issuance of the Series 2023A Bonds does not obligate

any Member of the Issuer or the State of Wisconsin or any political subdivision thereof to levy any tax or make any appropriation for payment of the Series 2023A Bonds.

Section 17. Entire Agreement. Upon the execution of this Bond Purchase Agreement, this Bond Purchase Agreement shall constitute the entire agreement among the Corporation, the Underwriter and the Issuer with respect to the Series 2023A Bonds.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer, the Corporation and the Underwriter have caused their duly authorized representatives to execute and deliver this Bond Purchase Agreement as of the date first written above.

PUBLIC FINANCE AUTHORITY

By _____
Name:
Title: Assistant Secretary

SAMARITAN HOUSING FOUNDATION, INC.

By _____
Stanley G. Brading, Jr.
President

HERBERT J. SIMS & CO., INC.

By _____
William B. Sims
Managing Principal

EXHIBIT A**DESCRIPTIONS OF THE SERIES 2023A BONDS**

\$ _____ Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2023A (Forward Delivery)

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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Redemption Provisions Related to Series 2023A Bonds

Optional Redemption. The Series 2023A Bonds are subject to optional redemption as follows:

The Series 2023A Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in whole or in part on June 1, 20__ or on any date thereafter, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

Redemption Dates

June 1, 20__ through May 31, 20__
June 1, 20__ through May 31, 20__
June 1, 20__ through May 31, 20__
June 1, 20__ through May 31, 20__
June 1, 20__ and thereafter

Redemption Prices

Upon the delivery of the above-referenced written optional redemption direction of the Corporation to the Bond Trustee, the Issuer shall be deemed, without any action on its part, to have exercised its option to redeem any of the Series 2023A Bonds, as applicable, under this section.

Sinking Fund Redemption

(a) The Series 2023A Bonds maturing on June 1, 20__, 20__ and 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price

equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

(i) The \$ _____ Series 2023A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(ii) The \$ _____ Series 2023A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

(iii) The \$ _____ Series 2023A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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‡ Maturity

Extraordinary Redemption

The Series 2023A Bonds are subject to optional redemption by the Issuer at the written direction of the Corporation delivered to the Bond Trustee in the event of (1) or (2) below, and subject to mandatory redemption without such direction in the case of (3) below, prior to their scheduled maturities, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the Series 2023A Bond:

- (1) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount, and the Corporation has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment;
- (2) as a result of any changes in the Constitution or laws of the State of Wisconsin or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Corporation under the Loan Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Loan Agreement; or
- (3) with respect to the Tax-Exempt Bonds, upon a Determination of Taxability.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

**\$[2023 Amount]
Public Finance Authority
Refunding Revenue Bonds
(Searstone CCRC Project)
Series 2023A (Forward Delivery)**

The undersigned, on behalf of Herbert J. Sims & Co., Inc. (“Sims”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Public Finance Authority (the “Authority”).

1. ***Purchase Contract.*** Sims, the Authority and the Borrower have entered into a Bond Purchase Agreement dated _____, 2021 (the “Contract”) in connection with the Series 2023A Bonds. The Contract has not been modified since its execution on the Sale Date. Defined terms herein not otherwise defined shall have the meanings set forth in the Contract.

2. ***Sale of the [General Rule Maturities] [Bonds].*** As of the date of this certificate, for each Maturity of the [Bonds] [General Rule Maturities], the first price at which at least 10% of such Maturity of the Series 2023A Bonds was sold to the Public is the respective price listed in Schedule A.

3. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Sims offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2023A Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Contract, Sims has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2023A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2023A Bonds during the Holding Period.]

4. ***[Callable High Premium Bonds.*** The Series 2023A Bonds stated to mature on June 1, 20__ and 20__ (the “Callable High Premium Bonds”) have an issue price that exceeds the stated redemption price at maturity thereof by more than one-fourth of one percentage point

multiplied by the product of the stated redemption price at maturity of such Bond and the number of complete years to the first optional redemption date of such Bonds. In accordance with Treas. Reg. § 1.148-4(b)(3), the yield on the Series 2023A Bonds is to be computed by treating each Callable High Premium Bond as redeemed at its stated redemption price on the optional redemption date that would produce the lowest yield on the Series 2023A Bonds. In the case of the Callable High Premium Bonds such date is June 1, 20__, and the yield on the Series 2023A Bonds has been calculated by treating the Callable High Premium Bonds as redeemed on June 1, 20__ at a redemption price equal to __% of the principal amount thereof plus interest accrued to such date.]

5. **[Debt Service Reserve Fund.]** [Bond Counsel to include applicable Debt Service Reserve Fund language, as necessary.]

6. **Yield.** The semiannually compounded yield on the Series 2023A Bonds, determined as set forth in [Section __ of Part __] of the Tax Certificate to which this Certificate is attached as **Exhibit A** (the “Tax Certificate”), is not less than __%.

7. **Average Maturity of Bonds.** The weighted average maturity of the Series 2023A Bonds is [____] years.

8. **Defined Terms.**

(a) **Borrower** means Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community.

(b) **Authority** means the Public Finance Authority.

(c) **[General Rule Maturities]** means those Maturities of the Series 2023A Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

(d) **[Hold-the-Offering-Price Maturities]** means those Maturities of the Series 2023A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(e) **[Holding Period]** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Sims has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(f) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2023A Bonds. The Sale Date of the Series 2023A Bonds is _____, 2021.

(i) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2023A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2023A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Sims’ interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority and the Borrower with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2023A Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2023A Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Authority and the Borrower from time to time relating to the Series 2023A Bonds.

Dated: _____, 2021

HERBERT J. SIMS & CO., INC.,
as Underwriter

By: _____

SCHEDULE A

**SALE PRICES OF THE [BONDS] [GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

[SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)]

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

B-1

B-2

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE ISSUER

B-3

EXHIBIT E

FORM OF OPINION OF COUNSEL TO THE CORPORATION

B-4

APPENDIX E

PROPOSED FORMS OF BOND COUNSEL OPINIONS

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[Form of Series 2021A-C Bonds Bond Counsel Opinion]

November __, 2021

Public Finance Authority
Madison, Wisconsin

Re: \$_____ Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021A (the “2021A Bonds”)

\$_____ Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-1 (the “2021B-1 Bonds”)

\$_____ Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2 (the “2021B-2 Bonds”)

\$_____ Public Finance Authority Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C Taxable (the “2021C Bonds”)

Ladies and Gentlemen:

We have acted as bond counsel to the Public Finance Authority (the “Authority”) in connection with the issuance by the Authority of the above referenced bonds (collectively, the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to an Indenture of Trust dated as of October 1, 2021 (the “Bond Indenture”) between the Authority and UMB Bank, National Association, as bond trustee (the “Bond Trustee”). The Authority will lend the proceeds of the Bonds to Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community (the “Corporation”) under a Loan Agreement dated as of October 1, 2021 (the “Loan Agreement”) between the Authority and the Corporation. The Bonds are secured by, among other things, payments to be made by the Corporation on the Series 2021A Obligation and the Series 2021B-C Obligation, each dated as of the date hereof (collectively, the “2021 Obligations”) issued by the Corporation to the Authority under the Second Amended and Restated Master Trust Indenture dated July 31, 2019 (as supplemented and amended, the “Master Indenture”) between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”), as evidence of the obligation of the Corporation to repay the loan of the proceeds of the Bonds and assigned by the Authority to the Bond Trustee as security for the payment of the Bonds. As provided in the Master Indenture, each Member of the Obligated Group (as defined in the Master Indenture) is jointly and severally liable for the 2021 Obligations and all other Obligations (as defined in the Master Indenture) issued under the Master Indenture. As of the date hereof, the Corporation is the sole Member of the Obligated Group.

As security for all Obligations issued under the Master Indenture, the Corporation has granted to the Master Trustee a security interest in its Personal Property, subject to Permitted Encumbrances (both as defined in the Master Indenture). As additional security for all Obligations issued under the Master Indenture, the Corporation has, pursuant to a Fourth Amended and Restated Deed of Trust, dated as of

October 1, 2021 (the “Deed of Trust”), granted to a trustee for the benefit of the Master Trustee a lien on the Mortgaged Property (as defined in the Deed of Trust), subject to Permitted Encumbrances and encumbrances and matters of title as set forth therein.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Corporation contained in various documents, certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by and on behalf of the Corporation without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Authority and are valid and binding limited obligations of the Authority, payable in accordance with their terms from payments to be made by the Corporation or any other Member of the Obligated Group pursuant to the 2021 Obligations and the Loan Agreement, certain funds held by the Bond Trustee under the Bond Indenture, certain funds held by the Master Trustee under the Master Indenture and certain other sources.

2. The Bond Indenture has been duly authorized, executed, and delivered by the Authority and is a valid and binding obligation of the Authority, enforceable against the Authority. The Bond Indenture creates a valid lien on the rights and property described in the granting clause thereof.

3. The Loan Agreement has been duly authorized, executed, and delivered by the Authority, and is a valid and binding obligation of the Authority, enforceable against the Authority.

4. Interest on the Series 2021A Bonds, the Series 2021B-1 Bonds and the Series 2021B-2 Bonds (collectively, the “Tax-Exempt Bonds”) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Authority and the Corporation comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Corporation have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds. In rendering the opinion set forth in the first sentence of this paragraph, we have relied on the opinion of Krevolin & Horst LLP, Atlanta, Georgia, counsel to the Corporation, that the Corporation is an organization that is exempt from federal income taxes under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and is not currently classified as a “private foundation” as defined in Section 509(a) of the Code.

5. Interest on the Series 2021C Bonds is not excludable from gross income for federal income tax purposes.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Indenture and the Loan Agreement are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein (a) regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, or (b) except as stated above, regarding federal, state, or local tax consequences arising with respect to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

[To be signed "Robinson, Bradshaw & Hinson, P.A."]

[Form of Series 2022 Bonds Bond Counsel Opinion]

March __, 2022

Public Finance Authority
Madison, Wisconsin

Re: \$_____ Public Finance Authority Refunding Revenue Bonds (Searstone CCRC
Project) Series 2022A (Forward Delivery)

Ladies and Gentlemen:

We have acted as bond counsel to the Public Finance Authority (the “Authority”) in connection with the issuance by the Authority of the above referenced bonds (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to an Indenture of Trust dated as of March 1, 2022 (the “Bond Indenture”) between the Authority and UMB Bank, National Association, as bond trustee (the “Bond Trustee”). The Authority will lend the proceeds of the Bonds to Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community (the “Corporation”) under a Loan Agreement dated as of March 1, 2022 (the “Loan Agreement”) between the Authority and the Corporation. The Bonds are secured by, among other things, payments to be made by the Corporation on the Series 2022A Obligation, dated as of the date hereof (the “2022A Obligation”) issued by the Corporation to the Authority under the Second Amended and Restated Master Trust Indenture dated July 31, 2019 (as supplemented and amended, the “Master Indenture”) between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”), as evidence of the obligation of the Corporation to repay the loan of the proceeds of the Bonds and assigned by the Authority to the Bond Trustee as security for the payment of the Bonds. As provided in the Master Indenture, each Member of the Obligated Group (as defined in the Master Indenture) is jointly and severally liable for the 2022A Obligation and all other Obligations (as defined in the Master Indenture) issued under the Master Indenture. As of the date hereof, the Corporation is the sole Member of the Obligated Group.

As security for all Obligations issued under the Master Indenture, the Corporation has granted to the Master Trustee a security interest in its Personal Property, subject to Permitted Encumbrances (both as defined in the Master Indenture). As additional security for all Obligations issued under the Master Indenture, the Corporation has, pursuant to a Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021 (the “Deed of Trust”), granted to a trustee for the benefit of the Master Trustee a lien on the Mortgaged Property (as defined in the Deed of Trust), subject to Permitted Encumbrances and encumbrances and matters of title as set forth therein.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Corporation contained in various documents, certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by and on behalf of the Corporation without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

5. The Bonds have been duly authorized and executed by the Authority and are valid and binding limited obligations of the Authority, payable in accordance with their terms from payments to be made by the Corporation or any other Member of the Obligated Group pursuant to the 2022A Obligation and the Loan Agreement, certain funds held by the Bond Trustee under the Bond Indenture, certain funds held by the Master Trustee under the Master Indenture and certain other sources.

6. The Bond Indenture has been duly authorized, executed, and delivered by the Authority and is a valid and binding obligation of the Authority, enforceable against the Authority. The Bond Indenture creates a valid lien on the rights and property described in the granting clause thereof.

7. The Loan Agreement has been duly authorized, executed, and delivered by the Authority, and is a valid and binding obligation of the Authority, enforceable against the Authority.

8. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Authority and the Corporation comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Corporation have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. In rendering the opinion set forth in the first sentence of this paragraph, we have relied on the opinion of Krevolin & Horst LLP, Atlanta, Georgia, counsel to the Corporation, that the Corporation is an organization that is exempt from federal income taxes under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and is not currently classified as a "private foundation" as defined in Section 509(a) of the Code.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Indenture and the Loan Agreement are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein (a) regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, or (b) except as stated above, regarding federal, state, or local tax consequences arising with respect to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

[To be signed "Robinson, Bradshaw & Hinson, P.A."]

[Form of Series 2023 Bonds Bond Counsel Opinion]

March __, 2023

Public Finance Authority
Madison, Wisconsin

Re: \$_____ Public Finance Authority Refunding Revenue Bonds (Searstone CCRC
Project) Series 2023A (Forward Delivery)

Ladies and Gentlemen:

We have acted as bond counsel to the Public Finance Authority (the “Authority”) in connection with the issuance by the Authority of the above referenced bonds (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to an Indenture of Trust dated as of March 1, 2023 (the “Bond Indenture”) between the Authority and UMB Bank, National Association, as bond trustee (the “Bond Trustee”). The Authority will lend the proceeds of the Bonds to Samaritan Housing Foundation, Inc. d/b/a Searstone Retirement Community (the “Corporation”) under a Loan Agreement dated as of March 1, 2023 (the “Loan Agreement”) between the Authority and the Corporation. The Bonds are secured by, among other things, payments to be made by the Corporation on the Series 2023A Obligation, dated as of the date hereof (the “2023A Obligation”) issued by the Corporation to the Authority under the Second Amended and Restated Master Trust Indenture dated July 31, 2019 (as supplemented and amended, the “Master Indenture”) between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”), as evidence of the obligation of the Corporation to repay the loan of the proceeds of the Bonds and assigned by the Authority to the Bond Trustee as security for the payment of the Bonds. As provided in the Master Indenture, each Member of the Obligated Group (as defined in the Master Indenture) is jointly and severally liable for the 2023A Obligation and all other Obligations (as defined in the Master Indenture) issued under the Master Indenture. As of the date hereof, the Corporation is the sole Member of the Obligated Group.

As security for all Obligations issued under the Master Indenture, the Corporation has granted to the Master Trustee a security interest in its Personal Property, subject to Permitted Encumbrances (both as defined in the Master Indenture). As additional security for all Obligations issued under the Master Indenture, the Corporation has, pursuant to a Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021 (the “Deed of Trust”), granted to a trustee for the benefit of the Master Trustee a lien on the Mortgaged Property (as defined in the Deed of Trust), subject to Permitted Encumbrances and encumbrances and matters of title as set forth therein.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Corporation contained in various documents, certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by and on behalf of the Corporation without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

9. The Bonds have been duly authorized and executed by the Authority and are valid and binding limited obligations of the Authority, payable in accordance with their terms from payments to be made by the Corporation or any other Member of the Obligated Group pursuant to the 2023A Obligation and the Loan Agreement, certain funds held by the Bond Trustee under the Bond Indenture, certain funds held by the Master Trustee under the Master Indenture and certain other sources.

10. The Bond Indenture has been duly authorized, executed, and delivered by the Authority and is a valid and binding obligation of the Authority, enforceable against the Authority. The Bond Indenture creates a valid lien on the rights and property described in the granting clause thereof.

11. The Loan Agreement has been duly authorized, executed, and delivered by the Authority, and is a valid and binding obligation of the Authority, enforceable against the Authority.

12. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Authority and the Corporation comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the Corporation have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. In rendering the opinion set forth in the first sentence of this paragraph, we have relied on the opinion of Krevolin & Horst LLP, Atlanta, Georgia, counsel to the Corporation, that the Corporation is an organization that is exempt from federal income taxes under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and is not currently classified as a “private foundation” as defined in Section 509(a) of the Code.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Indenture and the Loan Agreement are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein (a) regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, or (b) except as stated above, regarding federal, state, or local tax consequences arising with respect to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

[To be signed “Robinson, Bradshaw & Hinson, P.A.”]

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Issuer cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 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 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 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, Security certificates are required to be printed and delivered.

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

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.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Indentures will be given only to DTC.

Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer or the Underwriter.

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued by DTC or the use of the Book-Entry Only System is discontinued by the Issuer, the following provisions will be applicable to the Bonds. The Bonds may be exchanged for an equal aggregate principal amount of the Bonds in authorized denominations and of the same maturity upon surrender thereof at the principal office for payment of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon the surrender of such Bond to the Bond Trustee with a duly executed assignment in form satisfactory to the Bond Trustee. For every exchange or transfer of registration of Bonds, the Bond Trustee and the Issuer may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Issuer shall pay the fee, if any, charged by the Bond Trustee for the transfer or exchange. The Bond Trustee will not be required to transfer or exchange any Bond after its selection for redemption. The Issuer and the Bond Trustee may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on, such Bond.

Limitations

For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the Issuer and the Bond Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting.

Under the Bond Indentures, payments made by the Bond Trustee to DTC or its nominee will satisfy the Issuer's respective obligations under the Bond Indentures and the Corporation's respective obligations under the Loan Agreements to the extent of the payments so made.

None of the Issuer, the Underwriter nor the Bond Trustee will have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any notice with respect to any Bond including, without limitation, any notice of redemption, tender, purchase or any event that would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on, or the purchase price of, any Bond or (iv) any consent given by DTC as registered owner.

Prior to any discontinuation of the book-entry only system described above, the Issuer and the Bond Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Bonds, (ii) giving notices of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds, and (iv) the selection of Bonds for redemption.

APPENDIX G

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

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CONTINUING DISCLOSURE CERTIFICATE

Dated as of October __, 2021

Relating to:

**PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(SEARSTONE CCRC PROJECT)
SERIES 2021**

Consisting of:

**[\$[2021A Amount]
Public Finance Authority
Revenue Bonds
(Searstone CCRC Project)
Series 2021A**

**[\$[2021B-1 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-1**

**[\$[2021B-2 Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021B-2**

**[\$[2021C Amount]
Public Finance Authority
Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project)
Series 2021C Taxable**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Certificate”) is made and entered into as of the ____ day of October, 2021, by **SAMARITAN HOUSING FOUNDATION, INC.**, a Georgia nonprofit corporation qualified to conduct business in North Carolina and doing business as Searstone Retirement Community, as a Member of the Obligated Group and as the Obligated Group Representative under the Master Indenture described below (the “Corporation”).

RECITALS

WHEREAS, the Public Finance Authority (the “Issuer”) will issue its (i) Revenue Bonds (Searstone CCRC Project), Series 2021A, in the aggregate principal amount of \$_____ (the “Series 2021A Bonds”), (ii) its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project), Series 2021B-1 in the aggregate principal amount of \$_____ (the “Series 2021B-1 Bonds”), (iii) its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021B-2 in the aggregate principal amount of \$_____ (the “Series 2021B-2 Bonds” and collectively with the Series 2021B-1 Bonds, the “Series 2021B Bonds”) and (iv) its Entrance Fee Principal Redemption BondsSM (Searstone CCRC Project) Series 2021C (Taxable) in the aggregate principal amount of \$_____ (the “Series 2021C Bonds” and, together with the Series 2021A Bonds and the Series 2021B Bonds, the “Series 2021 Bonds”) pursuant to an Indenture of Trust, dated as of October 1, 2021 (the “Bond Indenture”) between the Issuer and UMB Bank, National Association, as bond trustee (the “Bond Trustee”), and will loan the proceeds thereof to the Corporation pursuant to a Loan Agreement, dated as of October 1, 2021 (the “Loan Agreement”) between the Issuer and the Corporation for the purpose of

(1) financing capital expenditures, including but not limited to, (a) costs relating to the expansion of the Community, specifically, an independent living and healthcare expansion project to be known as The Highview at Searstone, consisting of (i) 152 additional independent living units, together with multiple new dining venues, a multipurpose area with capacity for up to 350 people, and an underground parking garage, (ii) 29 additional assisted living units, including 14 specialized memory care units, (iii) 24 skilled nursing suites, (iv) new green spaces and landscaping improvements, and (v) renovations to the current Clubhouse to re-purpose common areas, all to be owned and operated by the Corporation (the “Phase II Expansion”), and (b) costs relating to the modification, improvement, or enhancement of certain infrastructure serving the Community (collectively with the Phase II Expansion, the “2021 Project”) and (2) refunding all of the Issuer’s Revenue Bonds (Searstone CCRC Project) Series 2020A in the aggregate principal amount of \$4,600,000 (the “Series 2020A Bonds”), and its Revenue Bonds (Searstone CCRC Project) Series 2020B Taxable in the aggregate principal amount of \$2,000,000 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), all of which remain outstanding (the “Refunded 2020 Bonds”); (c) funding capitalized interest on the Series 2021 Bonds; (d) funding a portion of the Parity Debt Service Reserve Fund (as defined in the Loan Agreement); (e) funding the 2021B-C Debt Service Reserve Fund (as defined in the Loan Agreement); and (f) paying a portion of the costs of issuance of the Series 2021 Bonds; and

WHEREAS, concurrently with the sale and delivery by the Issuer of the Series 2021 Bonds, the Corporation will issue, execute and deliver to the Issuer (i) the Corporation’s Series 2021A Obligation, dated the date of delivery of the Series 2021 Bonds, in the original principal amount of the Series 2021A Bonds (the “Series 2021A Obligation”) and (ii) the Corporation’s Series 2021B-C Obligation, dated the date of delivery of the Series 2021 Bonds, in the original principal amount of the Series 2021B Bonds and the Series 2021C Bonds, collectively (the “Series 2021B-C Obligation”), each pursuant to the Second Amended and Restated Master Trust Indenture dated July 31, 2019, as supplemented (the “Master Indenture”), between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”); and

WHEREAS, the Series 2021 Bonds have been offered and sold pursuant to an Official Statement dated _____, 2021 and the Issuer has entered into a Bond Purchase Agreement, dated _____, 2021 (the “Bond Purchase Agreement”), with respect to the sale of the Series 2021 Bonds, with the Corporation and the Underwriter, as hereinafter defined; and

WHEREAS, the Corporation wishes to provide for the disclosure of certain information concerning the Series 2021 Bonds, the 2021 Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”), and the Master Indenture;

NOW, THEREFORE, in consideration of the promises and agreements made herein and in the Master Indenture, the Bond Indenture and the Loan Agreement by the Corporation and the Issuer, including the loan by the Issuer to the Corporation of the proceeds of the Series 2021 Bonds, the Corporation agrees and undertakes as follows:

Section 1. Definitions; Scope of this Certificate.

(A) All terms capitalized but not otherwise defined herein or in *Exhibit A* hereto shall have the meanings assigned to those terms in the Master Indenture. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding Series 2021 Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any registered owner of the Series 2021 Bonds and any Beneficial Owner thereof.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the MSRB and its successors

“Event” shall mean any of the following events with respect to the Series 2021 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;

- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Corporation (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for Corporation in a proceeding under the U.S. 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);
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into 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;
- (xiv) Appointment of a successor or additional trustee or the change of name of the Bond Trustee or the Master Trustee, if material;
- (xv) Incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation¹ of the obligated person, any of which reflect financial difficulties.

¹ For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (xv) and (xvi), the Corporation intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Series 2021 Bonds.

“Financial Information and Operating Data” shall mean the financial information and operating data as set forth in ***Exhibit A*** attached hereto. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Corporation may change the accounting principles used for preparation of such financial information so long as the Corporation includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Required Information Recipient” means the Master Trustee, the Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, the Initial Purchaser, the MSRB, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the SEC from time to time to act as a recognized municipal securities repository and all Beneficial Owners who own \$500,000 or more in principal amount of the Series 2021 Bonds and request such reports in writing.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“State” shall mean the State of North Carolina.

“Underwriter” shall mean, collectively, any of the original underwriters of the Series 2021 Bonds required to comply with the Rule in connection with the offering of the Series 2021 Bonds.

(B) This Certificate applies to the Series 2021 Bonds.

Section 2. Disclosure of Information.

(A) General Provisions. This Certificate governs the Corporation’s obligation with respect to information to be made public in connection with the Series 2021 Bonds and in accordance with the Rule. The Corporation acknowledges that the Issuer has undertaken no responsibility with respect to the Rule or any reports, notices or disclosures provided or required under this Certificate, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Required Information Recipients. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 3 hereof, the Corporation shall provide or cause to be provided to each Required Information Recipient the information set forth in subsections (1), (2) and (3) below (the “Disclosures”):

(1) *Financial Information and Operating Data.* The Financial Information and Operating Data in the form required by and in accordance with the Master Indenture, no later than the applicable Filing Date (as set forth in ***Exhibit A*** attached hereto), commencing with the applicable Initial Filing Date, if any (as set forth in ***Exhibit A*** attached hereto), and continuing thereafter so long as the Series 2021 Bonds are outstanding.

(2) *Event Notices.* Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) *Failure to Provide Financial Information and Operating Data.* Notice of the failure by the Corporation to provide any of the Financial Information or Operating Data by the applicable Filing Date.

(C) Phase II Expansion Project.

(1) No later than thirty (30) days following the end of each calendar month, commencing with the calendar month ended _____, 2021, a summary of construction progress and activities, including construction disbursements against budget and estimated costs to complete, and including notice of any material change orders relating to the Phase II Expansion and a report of change orders affecting the Phase II Expansion's contractor contingency budget;

(2) No later than thirty (30) days following the end of each calendar month, commencing with the calendar month ended _____, 2021 and ending with the first month after Stable Occupancy (as defined in Supplemental Indenture Number 5) occurs, a monthly report addressing the following:

(a) a calculation of the marketing levels for such Independent Living Units added as part of the Phase II Expansion as of the end of such month, consistent with the format presented in the table titled "Percentage of Reserved Independent Living Units" in the Official Statement under the heading "SECURITY FOR THE BONDS—Covenants Under Existing Master Indenture and Supplemental Indenture Number 5—Marketing Covenant," including the number of such units that have been sold or cancelled during that month and on an aggregate basis; and

(b) in addition to the marketing levels described above, after the issuance of a certificate of occupancy for any building containing Independent Living Units that are part of the Phase II Expansion, occupancy levels of the Independent Living Units added as part of the Phase II Expansion as of the end of such month, including the number of such Independent Living Units that were occupied and vacated during that month and on an aggregate basis

(D) Means of Providing Information. The Disclosures shall be deemed to be provided in accordance with Section 2(B) hereof if they are transmitted to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB (a description of such format and information as presently prescribed by the MSRB is included in ***Exhibit B*** attached hereto). The Disclosures may be set forth in a document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on EMMA.

Nothing in this subsection shall be construed to relieve the Corporation of its obligation to provide notices to the holders of the Series 2021 Bonds if such notice is required by the Bond Indenture or the Master Indenture.

Section 3. Amendment or Waiver.

Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel with expertise in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into

account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. The Corporation represents and warrants that it has (i) duly authorized the execution and delivery of this Certificate by its officer whose signature appears on the execution page hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Certificate under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Certificate, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which the Corporation is bound, and (iv) the Corporation is not aware of any litigation or proceeding pending, or, to the best of the Corporation's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Certificate, or its due authorization, execution and delivery of this Certificate, or otherwise contesting or questioning the issuance of the Series 2021 Bonds.

(B) Governing Law. This Certificate shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2021 Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Certificate shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision of this Certificate shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Termination. This Certificate may be terminated by the Corporation; provided the termination of this Certificate is not effective until (i) the Corporation, or its successor, enters into a new continuing disclosure certificate or a continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Series 2021 Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel with expertise in federal securities law provides an opinion that the new continuing disclosure certificate or agreement is in compliance with all State and federal securities laws and (iii) notice of the termination of this Certificate is transmitted to the MSRB. This Certificate shall automatically terminate when all of the Series 2021 Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(E) Defaults; Remedies. The Corporation shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder. If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to the Corporation by a beneficiary hereof as identified in Section 4(F), such beneficiary may enforce the obligations of the Corporation under this Certificate; provided, however, the sole remedy available in any proceeding to enforce this Certificate shall be an action in mandamus, for specific performance or similar remedy to compel performance. The occurrence of any event of default as provided in this Certificate shall not constitute an event of default under the Master Indenture, the Bond Indenture or the Loan Agreement.

(F) Beneficiaries. This Certificate is entered into by the Corporation for the benefit of the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 5. Notices.

Any notices or communications to the Corporation with respect to this Certificate may be given as follows:

To the Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Fax: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
Raleigh, North Carolina 27609
Attention: Robert B. Womble
Telephone: (919) 743-7309
Fax: (919) 516-2009

The Corporation may, by written notice to the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders given by the method prescribed by the Master Indenture, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

**SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT
COMMUNITY**

By: _____

Name: _____

Title: _____

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

Financial Information and Operating Data

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Annual Budget of the Obligated Group	4.14(a)(ii)	No later than 30 days after the start of each Fiscal Year	January 30, 2022
<p>Quarterly unaudited financial statements of the Obligated Group, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of such fiscal quarter.</p> <p>If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided in the Master Indenture, the Obligated Group will deliver the financial information and the calculations described above on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.</p>	4.14(b)(i)	No later than 45 days after the completion of each fiscal quarter	November 14, 2021
The audited annual financial statements of the Obligated Group, including a combined and combining balance sheet as of the end of the Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for the Fiscal Year, and a combined and combining statement of revenues and expenses for the Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year, and a statement that such Accountant has no knowledge of any default under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.	4.14(b)(ii)	No later than 150 days after the completion of each Fiscal Year	May 29, 2022
A management's discussion and analysis of results for the applicable fiscal period	4.14(b)(iii)	No later than the date of delivery of the annual financial statements referred to above	May 29, 2022

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
An Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, if applicable and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.	4.14(b)(iii)	No later than the date of delivery of <u>either</u> (1) the annual financial statements, and (2) the quarterly reports, each as referred to above	November 14, 2021 (quarterly) May 29, 2022 (annual)
Copies of (A) any board approved revisions to the summary of the Annual Budget referred to above, or (B) 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), correspondence to or from the Internal Revenue Service, or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of the Series 2021 Bonds and any other Related Bonds.	4.14(b)(iv)	Promptly upon receipt, but not exceeding ten (10) business days from receipt	N/A
On or about the 20th day of the second month of each fiscal quarter, the Obligated Group Representative shall make available one or more representatives reasonably acceptable to the Majority Holders and the Master Trustee for a telephone conference call with the beneficial owners of Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the beneficial owners of Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of or provide notice of such calls to EMMA at least two weeks prior to the scheduled date of each call.	4.14(b)(v)	N/A	N/A

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.	4.14(b)(vi)	Promptly upon the incurrence of such Additional Indebtedness, but not exceeding ten (10) business days therefrom	N/A
Any revision of the schedule of Entrance Fees or monthly service fees being charged or quoted to residents or prospective residents of the Facilities, a report on the amounts of such revised Entrance Fees or monthly service fees for each type of unit setting forth the reasons for such revision.	4.14(b)(vii)	Within thirty (30) days after the revision.	N/A
A copy of each Consultant's final report required to be prepared under the terms of this Master Trust Indenture	4.14(c), 4.16(b)	Promptly upon receipt, but not exceeding sixty (60) days after the Consultant is engaged	N/A
Notice of a change of Accountant by the Obligated Group, including (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as the Required Information Recipient may reasonably request.	4.14(d)	Promptly upon such change, but not exceeding ten (10) business days from such change	N/A

EXHIBIT B

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

CONTINUING DISCLOSURE CERTIFICATE

Dated as of March __, 2022

Relating to:

**PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BONDS
(SEARSTONE CCRC PROJECT)
SERIES 2022A (FORWARD DELIVERY)**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Certificate”) is made and entered into as of the ____ day of _____, 2022, by **SAMARITAN HOUSING FOUNDATION, INC.**, a Georgia nonprofit corporation qualified to conduct business in North Carolina and doing business as Searstone Retirement Community, as a Member of the Obligated Group and as the Obligated Group Representative under the Master Indenture described below (the “Corporation”).

RECITALS

WHEREAS, the Public Finance Authority (the “Issuer”) will issue its Refunding Revenue Bonds (Searstone CCRC Project), Series 2022A (Forward Delivery) (the “Series 2022 Bonds”) pursuant to an Indenture of Trust, dated as of March 1, 2022 (the “Bond Indenture”) between the Issuer and UMB Bank, National Association, as bond trustee (the “Bond Trustee”), and will loan the proceeds thereof to the Corporation pursuant to a Loan Agreement, dated as of March 1, 2022 (the “Loan Agreement”) between the Issuer and the Corporation for the purpose of (a) refunding all of the Issuer’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2016, (b) funding a portion of the Parity Debt Service Reserve Fund (as defined in the Loan Agreement); and (c) paying a portion of the costs of issuance of the Series 2022 Bonds; and

WHEREAS, concurrently with the sale and delivery by the Issuer of the Series 2022 Bonds, the Corporation will issue, execute and deliver to the Issuer the Corporation’s Series 2022A Obligation, dated the date of delivery of the Series 2022 Bonds, in the original principal amount of the Series 2022 Bonds (the “Series 2022 Obligation”), pursuant to the Second Amended and Restated Master Trust Indenture dated July 31, 2019, as supplemented (the “Master Indenture”), between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”); and

WHEREAS, the Series 2022 Bonds have been offered and sold pursuant to an Official Statement dated _____, 2021 and the Issuer has entered into a Bond Purchase Agreement, dated _____, 2021 (the “Bond Purchase Agreement”), with respect to the sale of the Series 2022 Bonds, with the Corporation and the Underwriter, as hereinafter defined; and

WHEREAS, the Corporation wishes to provide for the disclosure of certain information concerning the Series 2022 Bonds, the 2021 Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”), and the Master Indenture;

NOW, THEREFORE, in consideration of the promises and agreements made herein and in the Master Indenture, the Bond Indenture and the Loan Agreement by the Corporation and the Issuer, including the loan by the Issuer to the Corporation of the proceeds of the Series 2022 Bonds, the Corporation agrees and undertakes as follows:

Section 1. Definitions; Scope of this Certificate.

(A) All terms capitalized but not otherwise defined herein or in *Exhibit A* hereto shall have the meanings assigned to those terms in the Master Indenture. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2022 Bonds (including persons holding Series 2022 Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any registered owner of the Series 2022 Bonds and any Beneficial Owner thereof.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the MSRB and its successors

“Event” shall mean any of the following events with respect to the Series 2022 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Corporation (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for Corporation in a proceeding under the U.S. 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);
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into 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;

- (xiv) Appointment of a successor or additional trustee or the change of name of the Bond Trustee or the Master Trustee, if material;
- (xv) Incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation¹ of the obligated person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Series 2022 Bonds.

“Financial Information and Operating Data” shall mean the financial information and operating data as set forth in **Exhibit A** attached hereto. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Corporation may change the accounting principles used for preparation of such financial information so long as the Corporation includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Required Information Recipient” means the Master Trustee, the Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, the Initial Purchaser, the MSRB, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the SEC from time to time to act as a recognized municipal securities repository and all Beneficial Owners who own \$500,000 or more in principal amount of the Series 2022 Bonds and request such reports in writing.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“State” shall mean the State of North Carolina.

“Underwriter” shall mean, collectively, any of the original underwriters of the Series 2022 Bonds required to comply with the Rule in connection with the offering of the Series 2022 Bonds.

¹ For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (xv) and (xvi), the Corporation intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

(B) This Certificate applies to the Series 2022 Bonds.

Section 2. Disclosure of Information.

(A) General Provisions. This Certificate governs the Corporation's obligation with respect to information to be made public in connection with the Series 2022 Bonds and in accordance with the Rule. The Corporation acknowledges that the Issuer has undertaken no responsibility with respect to the Rule or any reports, notices or disclosures provided or required under this Certificate, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Required Information Recipients. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 3 hereof, the Corporation shall provide or cause to be provided to each Required Information Recipient the information set forth in subsections (1), (2) and (3) below (the "Disclosures"):

(1) *Financial Information and Operating Data.* The Financial Information and Operating Data in the form required by and in accordance with the Master Indenture, no later than the applicable Filing Date (as set forth in **Exhibit A** attached hereto), commencing with the applicable Initial Filing Date, if any (as set forth in **Exhibit A** attached hereto), and continuing thereafter so long as the Series 2022 Bonds are outstanding.

(2) *Event Notices.* Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) *Failure to Provide Financial Information and Operating Data.* Notice of the failure by the Corporation to provide any of the Financial Information or Operating Data by the applicable Filing Date.

(C) Means of Providing Information. The Disclosures shall be deemed to be provided in accordance with Section 2(B) hereof if they are transmitted to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB (a description of such format and information as presently prescribed by the MSRB is included in **Exhibit B** attached hereto). The Disclosures may be set forth in a document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on EMMA.

Nothing in this subsection shall be construed to relieve the Corporation of its obligation to provide notices to the holders of the Series 2022 Bonds if such notice is required by the Bond Indenture or the Master Indenture.

Section 3. Amendment or Waiver.

Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel with expertise in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. The Corporation represents and warrants that it has (i) duly authorized the execution and delivery of this Certificate by its officer whose signature appears on the execution page hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Certificate under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Certificate, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which the Corporation is bound, and (iv) the Corporation is not aware of any litigation or proceeding pending, or, to the best of the Corporation's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Certificate, or its due authorization, execution and delivery of this Certificate, or otherwise contesting or questioning the issuance of the Series 2022 Bonds.

(B) Governing Law. This Certificate shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2022 Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Certificate shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision of this Certificate shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Termination. This Certificate may be terminated by the Corporation; provided the termination of this Certificate is not effective until (i) the Corporation, or its successor, enters into a new continuing disclosure certificate or a continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Series 2022 Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel with expertise in federal securities law provides an opinion that the new continuing disclosure certificate or agreement is in compliance with all State and federal securities laws and (iii) notice of the termination of this Certificate is transmitted to the MSRB. This Certificate shall automatically terminate when all of the Series 2022 Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(E) Defaults; Remedies. The Corporation shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder. If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to the Corporation by a beneficiary hereof as identified in Section 4(F), such beneficiary may enforce the obligations of the Corporation under this Certificate; provided, however, the sole remedy available in any proceeding to enforce this Certificate shall be an action in mandamus, for specific performance or similar remedy to compel performance. The occurrence of any event of default as provided in this Certificate shall not constitute an event of default under the Master Indenture, the Bond Indenture or the Loan Agreement.

(F) Beneficiaries. This Certificate is entered into by the Corporation for the benefit of the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 5. Notices.

Any notices or communications to the Corporation with respect to this Certificate may be given as follows:

To the Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Fax: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
Raleigh, North Carolina 27609
Attention: Robert B. Womble
Telephone: (919) 743-7309
Fax: (919) 516-2009

The Corporation may, by written notice to the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders given by the method prescribed by the Master Indenture, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

**SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT
COMMUNITY**

By: _____

Name: _____

Title: _____

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

Financial Information and Operating Data

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Annual Budget of the Obligated Group	4.14(a)(ii)	No later than 30 days after the start of each Fiscal Year	January 30, 2022
<p>Quarterly unaudited financial statements of the Obligated Group, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of such fiscal quarter.</p> <p>If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided in the Master Indenture, the Obligated Group will deliver the financial information and the calculations described above on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.</p>	4.14(b)(i)	No later than 45 days after the completion of each fiscal quarter	May 15, 2022
The audited annual financial statements of the Obligated Group, including a combined and combining balance sheet as of the end of the Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for the Fiscal Year, and a combined and combining statement of revenues and expenses for the Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year, and a statement that such Accountant has no knowledge of any default under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.	4.14(b)(ii)	No later than 150 days after the completion of each Fiscal Year	May 29, 2022
A management's discussion and analysis of results for the applicable fiscal period	4.14(b)(iii)	No later than the date of delivery of the annual financial statements referred to above	May 29, 2022

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
An Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, if applicable and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.	4.14(b)(iii)	No later than the date of delivery of <u>either</u> (1) the annual financial statements, and (2) the quarterly reports, each as referred to above	May 15, 2022 (quarterly) May 29, 2022 (annual)
Copies of (A) any board approved revisions to the summary of the Annual Budget referred to above, or (B) 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), correspondence to or from the Internal Revenue Service, or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of the Series 2022 Bonds and any other Related Bonds.	4.14(b)(iv)	Promptly upon receipt, but not exceeding ten (10) business days from receipt	N/A
On or about the 20th day of the second month of each fiscal quarter, the Obligated Group Representative shall make available one or more representatives reasonably acceptable to the Majority Holders and the Master Trustee for a telephone conference call with the beneficial owners of Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the beneficial owners of Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of or provide notice of such calls to EMMA at least two weeks prior to the scheduled date of each call.	4.14(b)(v)	N/A	N/A

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.	4.14(b)(vi)	Promptly upon the incurrence of such Additional Indebtedness, but not exceeding ten (10) business days thereafter	N/A
Any revision of the schedule of Entrance Fees or monthly service fees being charged or quoted to residents or prospective residents of the Facilities, a report on the amounts of such revised Entrance Fees or monthly service fees for each type of unit setting forth the reasons for such revision.	4.14(b)(vii)	Within thirty (30) days after the revision.	N/A
A copy of each Consultant's final report required to be prepared under the terms of this Master Trust Indenture	4.14(c), 4.16(b)	Promptly upon receipt, but not exceeding sixty (60) days after the Consultant is engaged	N/A
Notice of a change of Accountant by the Obligated Group, including (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as the Required Information Recipient may reasonably request.	4.14(d)	Promptly upon such change, but not exceeding ten (10) business days from such change	N/A

EXHIBIT B

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

CONTINUING DISCLOSURE CERTIFICATE

Dated as of March __, 2023

Relating to:

**PUBLIC FINANCE AUTHORITY
REFUNDING REVENUE BONDS
(SEARSTONE CCRC PROJECT)
SERIES 2023A (FORWARD DELIVERY)**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Certificate”) is made and entered into as of the ____ day of _____, 2023, by **SAMARITAN HOUSING FOUNDATION, INC.**, a Georgia nonprofit corporation qualified to conduct business in North Carolina and doing business as Searstone Retirement Community, as a Member of the Obligated Group and as the Obligated Group Representative under the Master Indenture described below (the “Corporation”).

RECITALS

WHEREAS, the Public Finance Authority (the “Issuer”) will issue its Refunding Revenue Bonds (Searstone CCRC Project), Series 2023A (Forward Delivery) (the “Series 2023 Bonds”) pursuant to an Indenture of Trust, dated as of March 1, 2023 (the “Bond Indenture”) between the Issuer and UMB Bank, National Association, as bond trustee (the “Bond Trustee”), and will loan the proceeds thereof to the Corporation pursuant to a Loan Agreement, dated as of March 1, 2023 (the “Loan Agreement”) between the Issuer and the Corporation for the purpose of (a) refunding all of the Issuer’s outstanding Revenue Bonds (SearStone CCRC Project) Series 2017A and Series 2017B, (b) funding a portion of the Parity Debt Service Reserve Fund (as defined in the Loan Agreement); and (c) paying a portion of the costs of issuance of the Series 2023 Bonds; and

WHEREAS, concurrently with the sale and delivery by the Issuer of the Series 2023 Bonds, the Corporation will issue, execute and deliver to the Issuer the Corporation’s Series 2023A Obligation, dated the date of delivery of the Series 2023 Bonds, in the original principal amount of the Series 2023 Bonds (the “Series 2023 Obligation”), pursuant to the Second Amended and Restated Master Trust Indenture dated July 31, 2019, as supplemented (the “Master Indenture”), between the Corporation and UMB Bank, National Association, as master trustee (the “Master Trustee”); and

WHEREAS, the Series 2023 Bonds have been offered and sold pursuant to an Official Statement dated _____, 2021 and the Issuer has entered into a Bond Purchase Agreement, dated _____, 2021 (the “Bond Purchase Agreement”), with respect to the sale of the Series 2023 Bonds, with the Corporation and the Underwriter, as hereinafter defined; and

WHEREAS, the Corporation wishes to provide for the disclosure of certain information concerning the Series 2023 Bonds, the 2021 Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”), and the Master Indenture;

NOW, THEREFORE, in consideration of the promises and agreements made herein and in the Master Indenture, the Bond Indenture and the Loan Agreement by the Corporation and the Issuer, including the loan by the Issuer to the Corporation of the proceeds of the Series 2023 Bonds, the Corporation agrees and undertakes as follows:

Section 1. Definitions; Scope of this Certificate.

(A) All terms capitalized but not otherwise defined herein or in *Exhibit A* hereto shall have the meanings assigned to those terms in the Master Indenture. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any registered owner of the Series 2023 Bonds and any Beneficial Owner thereof.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the MSRB and its successors

“Event” shall mean any of the following events with respect to the Series 2023 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Corporation (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for Corporation in a proceeding under the U.S. 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);
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into 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;

- (xiv) Appointment of a successor or additional trustee or the change of name of the Bond Trustee or the Master Trustee, if material;
- (xv) Incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation¹ of the obligated person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Series 2023 Bonds.

“Financial Information and Operating Data” shall mean the financial information and operating data as set forth in **Exhibit A** attached hereto. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Corporation may change the accounting principles used for preparation of such financial information so long as the Corporation includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Required Information Recipient” means the Master Trustee, the Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, the Initial Purchaser, the MSRB, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the SEC from time to time to act as a recognized municipal securities repository and all Beneficial Owners who own \$500,000 or more in principal amount of the Series 2023 Bonds and request such reports in writing.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“State” shall mean the State of North Carolina.

“Underwriter” shall mean, collectively, any of the original underwriters of the Series 2023 Bonds required to comply with the Rule in connection with the offering of the Series 2023 Bonds.

¹ For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (xv) and (xvi), the Corporation intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

(B) This Certificate applies to the Series 2023 Bonds.

Section 2. Disclosure of Information.

(A) General Provisions. This Certificate governs the Corporation's obligation with respect to information to be made public in connection with the Series 2023 Bonds and in accordance with the Rule. The Corporation acknowledges that the Issuer has undertaken no responsibility with respect to the Rule or any reports, notices or disclosures provided or required under this Certificate, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Required Information Recipients. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 3 hereof, the Corporation shall provide or cause to be provided to each Required Information Recipient the information set forth in subsections (1), (2) and (3) below (the "Disclosures"):

(1) *Financial Information and Operating Data.* The Financial Information and Operating Data in the form required by and in accordance with the Master Indenture, no later than the applicable Filing Date (as set forth in **Exhibit A** attached hereto), commencing with the applicable Initial Filing Date, if any (as set forth in **Exhibit A** attached hereto), and continuing thereafter so long as the Series 2023 Bonds are outstanding.

(2) *Event Notices.* Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) *Failure to Provide Financial Information and Operating Data.* Notice of the failure by the Corporation to provide any of the Financial Information or Operating Data by the applicable Filing Date.

(C) Means of Providing Information. The Disclosures shall be deemed to be provided in accordance with Section 2(B) hereof if they are transmitted to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB (a description of such format and information as presently prescribed by the MSRB is included in **Exhibit B** attached hereto). The Disclosures may be set forth in a document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on EMMA.

Nothing in this subsection shall be construed to relieve the Corporation of its obligation to provide notices to the holders of the Series 2023 Bonds if such notice is required by the Bond Indenture or the Master Indenture.

Section 3. Amendment or Waiver.

Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel with expertise in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. The Corporation represents and warrants that it has (i) duly authorized the execution and delivery of this Certificate by its officer whose signature appears on the execution page hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Certificate under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Certificate, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which the Corporation is bound, and (iv) the Corporation is not aware of any litigation or proceeding pending, or, to the best of the Corporation's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Certificate, or its due authorization, execution and delivery of this Certificate, or otherwise contesting or questioning the issuance of the Series 2023 Bonds.

(B) Governing Law. This Certificate shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2023 Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Certificate shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision of this Certificate shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Termination. This Certificate may be terminated by the Corporation; provided the termination of this Certificate is not effective until (i) the Corporation, or its successor, enters into a new continuing disclosure certificate or a continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Series 2023 Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel with expertise in federal securities law provides an opinion that the new continuing disclosure certificate or agreement is in compliance with all State and federal securities laws and (iii) notice of the termination of this Certificate is transmitted to the MSRB. This Certificate shall automatically terminate when all of the Series 2023 Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(E) Defaults; Remedies. The Corporation shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder. If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to the Corporation by a beneficiary hereof as identified in Section 4(F), such beneficiary may enforce the obligations of the Corporation under this Certificate; provided, however, the sole remedy available in any proceeding to enforce this Certificate shall be an action in mandamus, for specific performance or similar remedy to compel performance. The occurrence of any event of default as provided in this Certificate shall not constitute an event of default under the Master Indenture, the Bond Indenture or the Loan Agreement.

(F) Beneficiaries. This Certificate is entered into by the Corporation for the benefit of the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 5. Notices.

Any notices or communications to the Corporation with respect to this Certificate may be given as follows:

To the Corporation: Samaritan Housing Foundation, Inc.
c/o Krevolin and Horst LLC
One Atlantic Center
1201 West Peachtree Street, NE, Suite 3250
Atlanta, Georgia 30309
Attention: Stanley G. Brading, President
Telephone: 404-888-9700
Fax: 404-888-9577

and

Samaritan Housing Foundation, Inc.
d/b/a Searstone Retirement Community
17001 Searstone Drive
Cary, North Carolina, 27513
Attention: Executive Director

with a copy to: K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
Raleigh, North Carolina 27609
Attention: Robert B. Womble
Telephone: (919) 743-7309
Fax: (919) 516-2009

The Corporation may, by written notice to the Issuer, the Master Trustee, the Bond Trustee, the Underwriter and the Bondholders given by the method prescribed by the Master Indenture, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

**SAMARITAN HOUSING FOUNDATION, INC.,
D/B/A SEARSTONE RETIREMENT
COMMUNITY**

By: _____

Name: _____

Title: _____

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

Financial Information and Operating Data

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Annual Budget of the Obligated Group	4.14(a)(ii)	No later than 30 days after the start of each Fiscal Year	January 30, 2023
<p>Quarterly unaudited financial statements of the Obligated Group, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of such fiscal quarter.</p> <p>If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided in the Master Indenture, the Obligated Group will deliver the financial information and the calculations described above on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.</p>	4.14(b)(i)	No later than 45 days after the completion of each fiscal quarter	May 15, 2023
The audited annual financial statements of the Obligated Group, including a combined and combining balance sheet as of the end of the Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for the Fiscal Year, and a combined and combining statement of revenues and expenses for the Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year, and a statement that such Accountant has no knowledge of any default under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.	4.14(b)(ii)	No later than 150 days after the completion of each Fiscal Year	May 29, 2023
A management's discussion and analysis of results for the applicable fiscal period	4.14(b)(iii)	No later than the date of delivery of the annual financial statements referred to above	May 29, 2023

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
An Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, if applicable and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.	4.14(b)(iii)	No later than the date of delivery of <u>either</u> (1) the annual financial statements, and (2) the quarterly reports, each as referred to above	May 15, 2023 (quarterly) May 29, 2023 (annual)
Copies of (A) any board approved revisions to the summary of the Annual Budget referred to above, or (B) 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), correspondence to or from the Internal Revenue Service, or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of the Series 2023 Bonds and any other Related Bonds.	4.14(b)(iv)	Promptly upon receipt, but not exceeding ten (10) business days from receipt	N/A
On or about the 20th day of the second month of each fiscal quarter, the Obligated Group Representative shall make available one or more representatives reasonably acceptable to the Majority Holders and the Master Trustee for a telephone conference call with the beneficial owners of Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the beneficial owners of Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of or provide notice of such calls to EMMA at least two weeks prior to the scheduled date of each call.	4.14(b)(v)	N/A	N/A

<u>Disclosures</u>	<u>MTI Section</u>	<u>Filing Date</u>	<u>Initial Filing Date</u>
Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.	4.14(b)(vi)	Promptly upon the incurrence of such Additional Indebtedness, but not exceeding ten (10) business days thereafter	N/A
Any revision of the schedule of Entrance Fees or monthly service fees being charged or quoted to residents or prospective residents of the Facilities, a report on the amounts of such revised Entrance Fees or monthly service fees for each type of unit setting forth the reasons for such revision.	4.14(b)(vii)	Within thirty (30) days after the revision.	N/A
A copy of each Consultant's final report required to be prepared under the terms of this Master Trust Indenture	4.14(c), 4.16(b)	Promptly upon receipt, but not exceeding sixty (60) days after the Consultant is engaged	N/A
Notice of a change of Accountant by the Obligated Group, including (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as the Required Information Recipient may reasonably request.	4.14(d)	Promptly upon such change, but not exceeding ten (10) business days from such change	N/A

EXHIBIT B

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

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APPENDIX H

FORMS OF AUTHORIZED INVESTOR LETTERS

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INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[2021A Amount] Public Finance Authority Revenue Bonds (Searstone CCRC Project)
Series 2021A

 \$[2021B-1 Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project) Series 2021B-1

 \$[2021B-2 Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project) Series 2021B-2

 \$[2021C Amount] Public Finance Authority Entrance Fee Principal Redemption BondsSM
(Searstone CCRC Project) Series 2021C Taxable

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of October 1, 2021 (the “Indenture”), between the Issuer, and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____ and has been given access to copies of the Indenture (including the form of Bond) and the 2021 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.
4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.

5. The Bonds are a financially suitable investment for Investor consistent with Investor's investment needs and objectives.

6. Investor is (i) an "accredited investor" within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the "1933 Act") or (ii) a "Qualified Institutional Buyer" as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a "Qualified Institutional Buyer" as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor's purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Corporation involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the Loan Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor's breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:
Name:
Title:

INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[Amount] Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project)
Series 2022A (Forward Delivery)

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____, 2021 and has been given access to copies of the Indenture (including the form of Bond) and the 2022 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.
4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.
6. Investor is (i) an “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) a “Qualified Institutional Buyer” as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue

Sky” laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a “Qualified Institutional Buyer” as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor’s purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORAATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the 2022 Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor’s breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:

Name:

Title:

INVESTOR LETTER

Public Finance Authority
22 E. Mifflin Street, Suite 900
Madison, Wisconsin 53703

Re: \$[Amount] Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project)
Series 2023A (Forward Delivery)

Ladies and Gentlemen:

The undersigned (“Investor”) is the purchaser of the above-captioned bonds (the “Bonds”) issued by the Public Finance Authority (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of March 1, 2023 (the “Indenture”), between the Issuer and UMB Bank, National Association, as Bond Trustee (“Trustee”).

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Bonds to Investor.

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Official Statement dated _____, 2021 and has been given access to copies of the Indenture (including the form of Bond) and the 2023 Agreement, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Investor is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, and Investor intends to hold the Bonds for its own account to maturity, and does not intend to dispose of all or any part of the Bonds.
4. Investor understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.
6. Investor is (i) an “accredited investor” within the meaning of Rule 501(a)(1) of Regulation D under the Securities Act of 1933, as amended (the “1933 Act”) or (ii) a “Qualified Institutional Buyer” as defined in Rule 144A under the 1933 Act; Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue

Sky” laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.

7. Investor acknowledges that the Bonds are not transferable except to another accredited investor or a “Qualified Institutional Buyer” as provided by the Indenture, and Investor agrees to abide by the transfer restrictions set forth in the Indenture; and that Investor shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee is an accredited investor or a Qualified Institutional Buyer, as the case may be.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation and the Bonds and the security therefor so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor’s purchase of the Bonds.

9. INVESTOR ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM REVENUES OF THE CORPORAATION AND OTHER FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

10. Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Corporation and any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Investor is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Bonds.

11. Investor agrees to indemnify and hold harmless the Issuer and each Issuer Indemnified Person (as defined in the 2023 Agreement) with respect to any claim asserted against the Issuer or any such Issuer Indemnified Person that is based upon Investor’s breach of any representation, warranty or agreement made by it herein, other than any claim that is based upon the willful misconduct of the Issuer Indemnified Person seeking indemnification.

[Investor]

By:

Name:

Title:

APPENDIX I

FORM OF THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE

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THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE

between

SAMARITAN HOUSING FOUNDATION, INC.,
as the Initial Obligated Group Member

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of March 1, 2023

This instrument prepared by:
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street
Suite 1900
Charlotte, North Carolina 28246

[Note: This Third Amended and Restated Master Trust Indenture will be dated and become effective on the earliest date that the Series 2016 Bonds and the Series 2017 Bonds have been defeased and are no longer “Outstanding,” which is expected to occur in March 2023, assuming the Series 2002A Bonds and the Series 2023A Bonds are issued and delivered in March 2022 and March 2023, respectively. References herein to the Series 2022A Bonds and Series 2022A Obligation are intended to refer to the Related Bonds and Master Obligation issued to refund the Series 2016 Bonds. References herein to the Series 2023A Bonds and Series 2023A Obligation are intended to refer to the Related Bonds and Master Obligation issued to refund the Series 2017 Bonds. Such references, and all related definitions, may be changed to reflect the actual series designation of such refunding bonds when they are issued.]

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THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS THIRD AMENDED AND RESTATED MASTER TRUST INDENTURE, dated as of March 1, 2023 (this “Master Trust Indenture”), between **SAMARITAN HOUSING FOUNDATION, INC.**, a Georgia nonprofit corporation, as the initial Obligated Group Member (the “Obligor”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers, as master trustee (the “Master Trustee”), is made and entered into for the purpose of amending and restating the 2019 Master Trust Indenture (as defined below),

WITNESSETH:

WHEREAS, the Obligor and the Master Trustee have entered into a Second Amended and Restated Master Trust Indenture, dated July 31, 2019 (as supplemented, the “2019 Master Trust Indenture”), which amended and restated the Amended and Restated Master Trust Indenture, dated as of December 1, 2017 (as supplemented, the “2017 Master Trust Indenture”), which amended and restated the Master Trust Indenture, dated as of June 1, 2012 (as supplemented, the “2012 Master Trust Indenture”), between the Obligor and Wells Fargo Bank, National Association, succeeded by UMB Bank, National Association, as Master Trustee, for the purpose of providing for the issuance from time to time by the Obligor or other Persons electing to become Obligated Group Members (as defined in the 2019 Master Trust Indenture) of Master Obligations (as defined in the 2019 Master Trust Indenture) to finance or refinance the acquisition or betterment of retirement facilities, including independent living, personal care and skilled nursing facilities, or other facilities or for other lawful and proper purposes; and

WHEREAS, the Obligor has issued the following Master Obligations under the 2019 Master Trust Indenture that are Outstanding (as defined in the 2019 Master Trust Indenture) as of the date hereof: the Series 2021A Obligation dated October __, 2021, the Series 2021B-C Obligation dated October __, 2021, the Series 2022A Obligation dated March __, 2022, the Series 2023A Obligation dated March __, 2023, and the Series 2012 Subordinated Obligations (as defined below), which constitute Subordinated Indebtedness (as defined in the 2019 Master Trust Indenture); and

WHEREAS, the Obligor and the Master Trustee are authorized under Section 9.02 of the 2019 Master Trust Indenture to enter into this Master Trust Indenture for the purpose of amending and restating in its entirety the 2019 Master Trust Indenture, with the consent of the Holders (as defined in the 2019 Master Trust Indenture) of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness); and

WHEREAS, the Holders of the Series 2021A Obligation, the Series 2021B-C Obligation, the Series 2022A Obligation and the Series 2023A Obligation have consented to the amendment and restatement of the 2019 Master Trust Indenture in its entirety pursuant to the terms of this Master Trust Indenture; and

WHEREAS, words used in the text shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS, all acts and things necessary to constitute this Master Trust Indenture a valid indenture and agreement according to its terms have been done and performed, the Obligor has duly authorized the execution and delivery of this Master Trust Indenture, and the Obligor, in the exercise of the legal right and power invested in it, executes this Master Trust Indenture and proposes to make, execute, issue and deliver Master Obligations hereunder; and

WHEREAS, the Master Trustee agrees to accept and administer this Master Trust Indenture upon the terms set forth herein,

GRANTING CLAUSES

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Master Obligations (defined herein), the obligations to the Master Trustee, and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Master Obligations are secured, and in consideration of the premises, of the purchase of the Master Obligations by the Holders thereof and of the sum of One Dollar (\$1.00) to the Obligated Group Members in hand paid by the Master Trustee at or before the execution and delivery hereof, the receipt and sufficiency of which are hereby acknowledged and to amend and restate in its entirety the 2019 Master Trust Indenture, the Obligated Group Members by these presents do hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Master Trustee, forever, all and singular the following described properties and grant a security interest therein for the purposes herein expressed (the “Trust Estate”), to wit:

GRANTING CLAUSE FIRST

All of the rights, titles, interests and estates, now owned or hereafter acquired by the Obligated Group Members, in and to the following and any and all other personal property of any kind or character defined in and subject to the provisions of the Uniform Commercial Code, including the supporting obligations thereof, proceeds and products of and from any and all of such personal property used in connection with or arising out of the operation and use of the improvements located on the Premises and any substitutions or replacements therefor (collectively, the “Personal Property”):

- (a) Equipment,
- (b) Accounts,
- (c) General Intangibles,
- (d) Contract Documents,
- (e) Gross Revenues and Hedge Receipts, including, without limitation, rights to receive payments from third party payors such as Medicare and Medicaid, 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, assigned or pledged 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, assigned and pledged by the Obligated Group Members, provided that the Obligated Group Members may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property,
- (f) all accessions to, substitutions and replacements for and products and cash and non-cash proceeds of any or all of the foregoing Personal Property described in (a), (b), (c), (d) and (e) above, including, without limitation, all payments of insurance (whether or not the Master Trustee is the loss payee thereof) and any indemnity, condemnation award, performance, labor and material payment bond, warranty or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the Personal Property described in (a), (b), (c), (d) and (e) above, and

(g) all books and records, including, without limitation, customer lists, credit files, computer programs, print-outs and other computer or electronic materials and records, of the Obligated Group Members pertaining to any of the Personal Property described in (a), (b), (c), (d), (e) and (f) above.

The security interest granted hereby is subject to only Permitted Encumbrances and shall encumber any and all rights, titles and interests of the Obligated Group Members in and to any and all the aforementioned Personal Property, whether tangible or intangible, and wherever situated; and

GRANTING CLAUSE SECOND

Any amounts on deposit from time to time in any fund or account created hereunder, subject to the provisions of this Master Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereinafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Obligated Group Members or by anyone on their behalf (and the Master Trustee is hereby authorized to receive the same at any time as additional security hereunder), which, subject to the lien and security interest hereof of any such property as additional security, may be made subject to any reservations, limitations or conditions which shall be set forth in a written instrument executed by the grantor or the person so acting on its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD, IN TRUST, WITH THE POWER OF SALE, all said property, rights, privileges and franchises of every kind and description hereby and hereafter (by supplemental instrument or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, transferred, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining, unto the Master Trustee and its successors and assigns forever;

SUBJECT AND SUBORDINATE, HOWEVER, to all the Permitted Encumbrances (as defined herein);

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Master Obligations without any priority of any such Master Obligations over any other such Master Obligations except as herein or by Supplement otherwise expressly provided;

UPON CONDITION that, if the Obligated Group Members or their successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Outstanding Master Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Master Obligations shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, the rights, titles, liens, security interests and assignments herein granted shall cease, determine and be void and this grant shall be released by the Master Trustee in due form at the expense of the Obligated Group Members, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

UPON FURTHER CONDITION as to any property included in the Trust Estate that, upon Request (as defined herein) of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel (as such terms are defined herein) to the effect that the conditions precedent for the disposition of such property set forth in Section 4.19 hereof have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and this grant shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members;

ALL THINGS NECESSARY to make this Master Trust Indenture a valid agreement and contract for the security of the Master Obligations in accordance with the terms of such Master Obligations and this Master Trust Indenture have been done;

IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, and the Obligated Group Members do hereby covenant and agree to and with the Master Trustee, for the equal and proportionate benefit of all Holders of the Master Obligations, except as herein or by Supplement otherwise expressly provided; and

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH and it is expressly declared that all Master Obligations issued and secured hereunder are to be issued, authenticated and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed and the Obligated Group Members have agreed and covenanted, and do hereby agree and covenant, with the Master Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Master Obligations, except as herein or by Supplement otherwise expressly provided, as follows:

ARTICLE I
DEFINITION OF TERMS, CONSTRUCTION AND CERTAIN GENERAL PROVISIONS

Section 1.01 Definition of Terms

For all purposes of this Master Trust Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) This “Master Trust Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of the Master Obligations.

(b) All references in this instrument designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Trust Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular number.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP applied in accordance with Section 1.02 of this Master Trust Indenture.

“**Account Debtor**” means any Person who is or may become obligated under or on account of an Account.

“**Accountant**” means a certified public accountant, or a firm of certified public accountants, who or which is “independent” as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to any Member or its Affiliates (but who or which may be regularly retained by a Member or its Affiliates).

“**Accounts**” means all accounts, contract rights, chattel paper, instruments and documents (excluding Contract Documents) received by or on behalf of the Obligated Group Members and all rights to receive the same, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“**Act**” when used with respect to any Holder of Master Obligations has the meaning specified in Section 1.04 and not the meaning assigned such term in any documents delivered in connection with the issuance of Master Obligations or Related Bonds, unless specifically provided for in such documents.

“**Actual Annual Debt Service**” means actual annual Debt Service Requirements for any Fiscal Year for the Master Obligations designated in the definition of Debt Service Coverage Ratio Requirement.

“**Additional Indebtedness**” means Indebtedness incurred by any Member subsequent to the issuance of the Series 2023A Master Obligation.

“**Additional Master Obligations**” means any evidence of Indebtedness or evidence of any repayment obligation under any Hedge Agreement issued after the issuance of the Series 2023A Master Obligation, which is authorized to be issued by a Member pursuant to this Master Trust Indenture and which has been authenticated by the Master Trustee pursuant to Section 2.03 hereof.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors (or other members of its Governing Body), the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Annual Budget**” means the annual budget of the Obligated Group required to be provided by the Obligated Group Representative pursuant to Section 4.14 hereof.

“**Authorized Obligor Representative**” shall mean, with respect to the Obligated Group Representative and each Obligated Group Member, the Chairman or Vice Chairman of its Governing Body, the President or any Vice President, Secretary or Assistant Secretary or the Treasurer or Assistant Treasurer, or any other person or persons at the time designated by an Officer’s Certificate of the Obligated Group Representative or the Obligated Group Member and delivered to the Master Trustee.

“**Balloon Indebtedness**” means Long-Term Indebtedness 25% or more of the original principal 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.

“**Board Resolution**” of any specified Person means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

“**Bond Counsel**” means Robinson, Bradshaw & Hinson, P.A., or any other attorney at law or firm of attorneys of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions as may be selected by the Obligated Group Representative, but is reasonably acceptable to each issuer of the Related Bonds.

“**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 prepared in accordance with GAAP, and when used with respect to Property of all Members means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

“**Business Day**” means any day other than a Saturday, a Sunday or, in the location of the designated corporate trust office of the Related Bond Trustee, a legal holiday or day upon which banking institutions are authorized by law to close.

“Capital Addition” means any addition, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or replacement of or to the Facilities and the cost of which is properly capitalized under GAAP applied in accordance with Section 1.02 hereof.

“Cash and Investments” means the sum of cash, cash equivalents, Short Term Resident Notes, marketable securities of the Obligated Group Members, including, without limitation, Related Bonds held by the Obligated Group Members, board-designated assets and amounts, if any, on deposit in any Operating Reserve Fund, Working Capital Fund, and any other funds created pursuant to any Supplement, but at all times excluding (a) any Related Bonds Debt Service Reserve Fund and other trustee-held funds (including Entrance Fees held in escrow or otherwise set aside) other than those described above in this definition, (b) funds restricted by the donor to a use that would not permit the use of such funds to pay expenses or debt service on Indebtedness of the Obligated Group and (c) any funds pledged or otherwise subject to a security interest for debt other than the Master Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the 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.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“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 Long-Term Indebtedness” means any Long-Term Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities or a Capital Addition thereto or marketing or other pre-opening expenses of such Facilities with respect to which Long-Term Indebtedness 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 completed and equipped Facilities or a Capital Addition thereto of substantially the same type and scope contemplated at the time such prior Long-Term Indebtedness was originally incurred, to provide for Funded Interest during the period of construction, to provide any reserve fund relating to such Completion Long-Term Indebtedness and to pay the costs and expenses of issuing such Completion Long-Term Indebtedness.

“Consent” or **“Request”** of any specified Person mean, respectively, a written consent or request signed in the name of such Person by the Chairman of the Governing Body, the Chief Executive Officer,

the President, a Vice President, the Treasurer, an Assistant Treasurer or the Chief Financial Officer of such Person or any other person or persons designated by an Officer’s Certificate and delivered to the Master Trustee.

“Construction Index” means the most recent issue of the “Dodge Construction Index for U.S. and Canadian Cities” with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Representative in an Officer’s Certificate delivered to the Master Trustee.

“Consultant” means a professional consulting, accounting, investment banking or commercial banking firm or individual engaged by the Obligated Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm or individual does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof; however the Consultant may conduct business with the Obligated Group Members or any Affiliate.

“Contract Documents” means any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, renovation agreements, development agreements, project management agreements, architect’s agreements, plans and specifications, Hedge Agreements and other contracts, licenses and permits now or hereafter affecting any Property (as the same may be supplemented from time to time), together with all rights and privileges of any nature thereunder accruing, together with any changes, renewals, supplements, addenda, amendments, consolidations, extensions, revisions, modifications or guarantees of performance of obligations to the Obligated Group Members under the foregoing contracts, all of the Obligated Group Members’ rights and title to modify, alter or amend the foregoing contracts, to terminate the foregoing contracts and to waive or release the performance or observance of any obligation or condition of the foregoing contracts, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“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 and deposited into the accounts of the Obligated Group.

“Corporate Trust Office” of the Master Trustee means the office of the Master Trustee at which this Master Trust Indenture shall be principally administered, which at the date hereof is UMB Bank, National Association, 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Attention: Corporate Trust Services, or such other address as to which the Master Trustee may give notice to the Obligated Group.

“Credit Facility” means any Liquidity Facility, letter of credit, bond insurance policy, standby purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Indebtedness of any Obligated Group Member.

“Current Value” means an amount determined by the Obligated Group Representative, which (a) with respect to Property, Plant and Equipment: (i) the Book Value of such Property, Plant and Equipment

as shown in the December 31, 2022 audited financial statements of the Obligated Group, 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 Book Value 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 (ii) 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 (iii) the Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of; and (b) with respect to any other Property, the fair market value of such Property.

“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 (i) Expenses (including interest on Indebtedness but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the twelve-month period ending as of each June 30 and December 31 as shown on the most recent unaudited quarterly financial statements delivered pursuant to Section 4.14(b)(i) hereof by (ii) 365; provided, however, that for the calculation required to be made for each December 31 pursuant to Section 4.14 hereof, the audited financial statements for the fiscal year ended on such December 31 shall be used for such calculation.

“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 and a denominator of one; provided, however, that in making such calculation, (a) the principal amount of any Indebtedness included in such calculation 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 Trust Indenture, (b) to the extent a Hedge 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 Hedge Agreement shall be used in the calculation, (c) any Subordinated Indebtedness shall be excluded except when making such calculation for the purpose of determining whether payments on Subordinated Indebtedness can be made pursuant to Section 3.05 hereof and (d) such calculation shall be based on unaudited financial statements (and adjusted retroactively based on audited financial statements for the fourth quarter of a Fiscal Year) for the four consecutive quarters ending for the period of time tested.

“Debt Service Coverage Ratio Requirement” means the following:

<u>Period</u>	<u>Basis of Calculation</u>	<u>Requirement</u>
Fiscal Years ending December 31, 2020 through 2027	Maximum Annual Debt Service on all Long-Term Indebtedness	1.10
Fiscal Years ending December 31, 2028 and thereafter	Maximum Annual Debt Service on all Long-Term Indebtedness	1.20

“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 Long-Term Indebtedness of each Person or a group of Persons with respect to which such requirements are 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 4.17 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 due in its final year 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 required 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 and; (e) any annual fees payable in respect of a Credit Facility (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.

“Debt Service Reserve Fund” means Reserve Fund No. 1 and any other Debt Service Reserve Fund established and maintained pursuant to Section 3.06 hereof and a Supplement.

“Debt Service Reserve Fund Requirement” means, with respect to each Debt Service Reserve Fund, (i) if such Debt Service Reserve Fund secures more than one Master Obligation that secures tax-exempt Related Bonds, the least of (A) one hundred percent (100%) of Maximum Annual Debt Service on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund, (B) one hundred twenty-five percent (125%) of average annual Debt Service Requirements on the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund and (C) ten percent (10%) of the stated original principal amount of the Related Bonds secured or Indebtedness evidenced by the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund or, if the Related Bonds have original issue discount or premium that exceeds two percent (2%) of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriters’ compensation, ten percent (10%) of the initial offering prices to the public of the Related Bonds, or (ii) if such Debt Service Reserve Fund secures only one Master Obligation that secures tax-exempt Related Bonds or secures one or more Master Obligations that evidence and secure only taxable Indebtedness or Related Bonds, the amount specified in Section 3.06 or any Supplement directing that such Debt Service Reserve Fund be established or maintained.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Defeasance Obligations” means:

- (a) Government Obligations; and
- (b) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:
 - (i) Federal Home Loan Bank System;
 - (ii) Export-Import Bank of the United States;
 - (iii) Federal Financing Bank;
 - (iv) Government National Mortgage Association;

- (v) Farmers Home Administration;
- (vi) Federal Home Loan Mortgage Company;
- (vii) Federal Housing Administration;
- (viii) Federal National Mortgage Association;

(ix) Any other agency or instrumentality of the United States of America created by an Act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America; and

(c) Obligations described in Section 103(a) of the Code, provision for the payment of the principal of (and premium, if any) and interest on which shall have been made by the irrevocable deposit at least 123 days preceding the date of determination with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of money, or obligations described in clause (1) above, the maturing principal of and interest on which, when due and payable, without reinvestment will provide money sufficient to pay when due the principal of (and premium, if any) and interest on such obligations, and which money, or obligations described in clause (1) above, are not available to satisfy any other claim, including any claim of the trustee or escrow agent or any claim of any Person claiming through the trustee or escrow agent or any claim of any Person to whom the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent may be obligated, whether arising out of the insolvency of the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent or otherwise.

“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Trustee as available for use in connection with its services hereunder.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“Entrance Fee Fund” means any entrance fee fund or account established by a Supplement in connection with the financing of any Capital Addition.

“Entrance Fees” means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of Independent Living Units or, if applicable assisted living units or personal care units, for the purpose of obtaining the right to reside in those units including any refundable resident deposits described in any lease or similar Residence and Services Agreement with respect to those Independent Living Units or, if applicable assisted living units or personal care units, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement prior to the occupancy of the unit covered by such Residence and Services Agreement (which amounts shall be included if and when occupancy occurs and such set-aside is no longer required).

“Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Public Law No. 96-510, 94 Stat. 1613, the Resource Conservation and Recovery Act, the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.), the Clean Water Act, the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Federal Coastal Zone Management

Act (16 U.S.C. §§ 1451 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.) and any other federal, state or local law, statute, ordinance and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree or judgment applicable to the Premises relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“Equipment” means all machinery, apparatus, equipment, fittings, furniture, furnishings, fixtures (whether actually or constructively attached or affixed to the Premises or the Facilities or other improvements located thereon and including all trade, domestic and ornamental fixtures) and other articles of tangible personal property of every kind, description and nature whatsoever now or hereafter located at, in, upon or under the Premises or the Facilities and other improvements at the Premises or used or usable in connection with any present or future operations conducted or to be conducted at the Premises or with respect to the Facilities or other improvements at the Premises, and all parts, accessories and special tools and all increases, additions and accessions thereto and substitutions and replacements therefor, including, without limiting the generality of the foregoing, all building materials, supplies, goods, machinery, fixtures and equipment now or hereafter delivered to the Premises and placed on the Premises for the purpose of being affixed to or installed or incorporated or otherwise used in the Facilities or other improvements now or hereafter located at the Premises or on any part or parcel of the Premises, including, but not limited to, lumber, plaster, cement, shingles, roofing, plumbing, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures and unattached refrigerating, cooking, heating and ventilating appliances and equipment, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“Event of Default” has the meaning set forth in Section 7.01 hereof.

“Examination Report” means an examination report resulting from an examination conducted by an Accountant in conformity with generally accepted standards for accountants’ services on prospective financial information prepared in accordance with GAAP.

“Excluded Property” means the property now owned and hereafter acquired by the Obligated Group described in EXHIBIT A attached hereto, and any property purchased or acquired utilizing the proceeds from the sale thereof or in exchange therefor and identified as such to the Master Trustee in an Officer’s Certificate.

“Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale 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) non-cash expenses or losses, including but not limited to any expenses related to derivative instruments, other than periodic payments thereon, (g) any expenses paid with proceeds of any Related Bonds, (h) any marketing expenses paid in connection with a Capital Addition or proposed Capital Addition that are being funded with proceeds of any Long-Term Indebtedness, and (i) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses 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.

“Facilities” means the retirement facilities, including independent living facilities, assisted living facilities, personal care facilities, and skilled nursing facilities and related facilities owned or leased by the Obligated Group Members and located on the Premises, all necessary and useful furnishings, equipment and machinery and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities, but excluding Excluded Property.

“Feasibility Report” means a report prepared and signed by a Consultant, who is an Accountant, setting forth for a forecast period not exceeding five Fiscal Years from the later of the date of the issuance of the Indebtedness in question or the completion of the Capital Additions financed with such Indebtedness: (a) forecasted financial statements prepared on the same basis as the Obligated Group’s audited financial statement; and (b) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Facilities, the rates and charges to patients and residents and such other data and information as may be necessary to support the forecasted financial statements; such report shall be accompanied by an Examination Report.

“Federal Subsidy Payments” means the direct payments made by the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments to the issuer or conduit borrower for any Related Bonds which constitute Subsidy Bonds.

“Finance Lease” means any lease required to be treated as a finance lease under GAAP.

“Fiscal Year” means the 12 month period beginning on January 1 of any calendar year and ending on December 31 of such calendar year or such other consecutive 12 month period selected by the Obligated Group Representative as the fiscal year for the Members.

“Fitch” means Fitch 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, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group, with written notice to the Master Trustee.

“Funded Interest” means amounts irrevocably deposited in an escrow or other trust account (other than a debt service reserve fund held under a Related Bond Indenture) to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on such amounts to the extent such interest earned is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified

Public Accountants or those principles of accounting which have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented or amended.

“General Intangibles” means all general intangibles received by or on behalf of the Obligated Group Members from or in connection with the ownership, operation or leasing of the Facilities and the Premises and all rights to receive the same, including, without limitation, all choses in action, causes of action, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, computer programs, software, all claims under guaranties, security interests or other security held by or granted to the Obligated Group Members to secure payment of any of the Accounts by an Account Debtor, all rights to indemnification, all supporting obligations, all letter of credit rights and all other intangible property of every kind and nature (other than Accounts and Contract Documents), in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“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.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“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, Federal Subsidy Payments 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, (b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and (c) 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) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law cannot be granted, assigned or pledged hereunder or which would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, or which cannot be granted, assigned or pledged 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, assigned and pledged by the Obligated Group Members, (ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (iii) 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 as payments required under this Master Trust Indenture, (iv) 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 areas of the Facilities to be occupied or leased to such residents or tenants, (v) all deposits made pursuant to Residence and Services Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued and (vi) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

“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.

“Hazardous Materials” means petroleum, petroleum byproducts (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products and/or any hazardous substance or material, waste, pollutant or contaminant, defined as such in (or for the purposes of) the Environmental Laws.

“Hedge Agreement” means, without limitation, (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (c) any contract to exchange cash flows or payments or series of payments; (d) any type of contract called, or designed to perform the function of, interest rate floors, collars, caps, options, puts or calls to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (e) any other type of contract or arrangement that the Obligated Group Members determine is to be used, or is intended to be used, to manage or reduce the cost of any bonds issued under a Related Bond Indenture, to convert any element of any such bonds from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

“Hedge Receipts” means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

“Holder” means the registered owner of any Master Obligation.

“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 for borrowed money (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with GAAP, (c) all Finance Leases, and (d) 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, Hedge Agreements or any obligation to repay Entrance Fees or 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, senior living facilities or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

“Independent Counsel” means an attorney duly admitted to practice law in any state and, without limitation, may include independent legal counsel for any Member.

“Independent Living Units” means the independent living units that are or become part of the Facilities and are offered for occupancy on an Entrance Fee basis.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied.

“Initial Purchaser” means Herbert J. Sims & Co., Inc., the initial purchaser of the Series 2021 Bonds, the Series 2022A Bonds and the Series 2023A Bonds.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member and which, in the case of a firm, does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof, appointed by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for senior living facilities or health care 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.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge 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 Facility” means a written commitment to provide money to purchase or retire any Indebtedness if (a) on the date of delivery of such Liquidity Facility the unsecured Long-Term Indebtedness or claims-paying ability of the provider of such Liquidity Facility or its parent holding company or other controlling entity is rated at least “A” by a least one of the Rating Agencies, and (b) as of any particular date of determination no amount realized under such Liquidity Facility for the payment of the principal or the purchase or redemption price of such Indebtedness (exclusive of amounts realized for the payment of accrued interest on such Indebtedness) shall be required to be repaid by the obligor on such Long-Term Indebtedness for a period of at least one year.

“Liquidity Requirement” has the meaning given such term in Section 4.18 hereof.

“Long-Term Indebtedness” means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed or 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 (but including Guaranties of Short Term Indebtedness described in Section 4.15(d) hereof); and (d) lease payments under Finance Leases entered

into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Trust Indenture.

“Majority Holders” means the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness).

“Marketing Consultant” shall initially mean RLA and any entity succeeding to its responsibilities in regard to the Facilities.

“Master Obligation” or **“Obligation”** means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to this Master Trust Indenture and which is entitled to the benefits of this Master Trust Indenture.

“Master Trust Indenture” means this Third Amended and Restated Master Trust Indenture dated as of March 1, 2023, between the Obligor and the Master Trustee, and any supplements or amendments thereto and modifications thereof, including Supplement Number 1, Supplement Number 5, Supplement Number 6 and Supplement Number 7.

“Master Trustee” means UMB Bank, National Association, a national banking association with trust powers, until a successor replaces it in accordance with the applicable provisions of Article VIII hereof and thereafter means the successor serving hereunder.

“Maturity” means, when used with respect to any Indebtedness, the date on which the principal of such Indebtedness or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

“Maximum Annual Debt Service” means the highest annual Debt Service Requirements for the current or any succeeding Fiscal Year for Master Obligations (except Master Obligations constituting Subordinated Indebtedness).

“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 Obligated Group with written notice to the Master Trustee.

“Mortgaged Property” means the real property and personal property of the Members which is subject to the Lien and security interest of the Security Deed, excluding Excluded Property.

“Net Proceeds” means, when used with respect to any insurance (other than the proceeds of business interruption 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 attorneys’ 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 leased 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.

“Nonrecourse Indebtedness” means any Indebtedness that by its terms is secured solely by the assets financed by such Indebtedness with no recourse to any other assets of the Obligated Group Members.

“Obligated Group” means, collectively, all of the Obligated Group Members.

“Obligated Group Member” or **“Member”** means the Obligor and any other Person who has satisfied the requirements set forth in this Master Trust Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in this Master Trust Indenture for ceasing to be an Obligated Group Member.

“Obligated Group Representative” means the Obligor or any successor Obligated Group Representative appointed pursuant to Section 6.04 hereof.

“Obligated Group Representative Request” means a written order or request of the Obligated Group or any Member, signed by an Authorized Obligor Representative, and delivered to the Master Trustee.

“Obligation Register” means the register of ownership of the Master Obligations to be maintained pursuant to this Master Trust Indenture.

“Obligor” means Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation, and any and all successors thereto in accordance with this Master Trust Indenture.

“Officer’s Certificate” means a certificate signed, in the case of a certificate delivered by an Obligated Group Member, by an Authorized Obligor Representative of the Obligated Group Member or, in the case of a certificate delivered by any other entity, by the President, any Vice President, the Chief Operating Officer, the Chief Financial Officer, the Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such entity or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

“Operating Reserve Fund” means any operating reserve fund or account established in connection with the financing of a Capital Addition.

“Opinion of Bond Counsel” shall mean an opinion in writing signed by Bond Counsel.

“Opinion of Counsel” means a written opinion of Independent Counsel who may (except as otherwise expressly provided herein) be counsel to any Obligated Group Member.

“Outstanding” means, when used with respect to Master Obligations, as of the date of determination, all Master Obligations theretofore authenticated and delivered under this Master Trust Indenture, except:

(a) Master Obligations theretofore cancelled and delivered to the Master Trustee or delivered to the Master Trustee for cancellation;

(b) Master Obligations for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 10.02 of this Master Trust Indenture) shall have theretofore been deposited with the Master Trustee or any Paying Agent for such Master Obligations in trust for the Holders of such Master Obligations pursuant to this Master Trust Indenture; provided, that, if such Master Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Master Trust Indenture or irrevocable provision for the giving of such notice satisfactory to the Master Trustee has been made pursuant to this Master Trust Indenture; and

(c) Master Obligations upon transfer of or in exchange for or in lieu of which other Master Obligations have been authenticated and delivered pursuant to this Master Trust Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Master Obligations have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Master Obligations owned by any Obligated Group Member or any Affiliate of any Obligated Group Member shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Master Obligations that a Responsible Officer of the Master Trustee actually knows to be so owned shall be so disregarded. Master Obligations so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Master Obligations and that the pledgee is not an Obligated Group Member or an Affiliate of any Obligated Group Member.

"Paying Agent" means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) or interest on any Master Obligations on behalf of the Obligated Group.

"Permitted Encumbrances" means this Master Trust Indenture, the Security Deed, any Related Loan Agreement, any Related Bond Indenture and, as of any particular date:

(1) Any lien or encumbrance, other than a mortgage on real property, created or incurred in the ordinary course of business which does not secure, directly or indirectly, the repayment of borrowed money or the payment of installment sales contracts of capital leases individually or in the aggregate, and which does not materially impair the value or the utility of the property subject to such lien or encumbrance.

(2) Liens arising by reason of good faith deposits with an Obligated Group Member in connection with tenders, leases or real estate, bid or contracts (other than contracts for the payment of money), deposits by an Obligated Group 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.

(3) Statutory rights of the United States of America to recover against an Obligated Group Member by reason of any federal loan, grant or subsidy made available to the Obligated Group and similar rights under state statutes.

(4) Any lien arising by reason of deposits to enable an Obligated Group Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pension or profit-sharing plans, or other social security, or to share in the privileges or benefits required for companies participating in such arrangements.

(5) Any judgment lien against an Obligated Group Member so long as such judgment is being contested and execution thereon is stayed and so long as such judgment lien will not materially interfere with or impair the operations conducted on all property.

(6) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any property; (ii) any liens on any Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are being contested and execution thereon is stayed or which have been due for less than ninety (90) days; and (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title of any Property that do not materially impair the use of such Property in any manner.

(7) Any lien on the Property of an Obligated Group Member that is existing on the date of execution of the Master Trust Indenture, provided that no lien so described may be extended, renewed or replaced by another lien, nor may it be modified to apply to any Property of an Obligated Group Member not subject to such lien on the date of execution, unless the lien otherwise qualifies as a Permitted Lien; and provided further that no additional indebtedness may be incurred that is secured by such lien unless the foregoing conditions are met.

(8) Any liens which secure payment of short-term indebtedness incurred in accordance with the Master Trust Indenture.

(9) Liens to which Property of an entity is subject at the time (the "Effective Date") either (a) such entity is merged into or consolidated with an Obligated Group Member, or (b) all or substantially all of its assets are sold or otherwise conveyed to an Obligated Group Member, provided that: (i) no lien so described may be extended or renewed, nor may it be modified, to apply to any Property not subject to such lien on the Effective Date, unless the lien as so extended, renewed or modified, or the replacement lien, otherwise qualifies as a Permitted Encumbrance; (ii) no additional indebtedness may be thereafter incurred that is secured by such lien; (iii) no lien so described was created in order to avoid the limitations contained herein on the impositions of liens on the Property of an Obligated Group Member; and (iv) such indebtedness does not become part of the indebtedness of an Obligated Group Member.

(10) Any lease and leaseback, lien, security interest or similar arrangement entered into the Obligated Group with an authority, to the extent that such arrangement is required by law in connection with the issuance by such authority of bonded indebtedness to be secured by a Master Obligation under the Master Trust Indenture.

(11) Any lien with respect to Property acquired after the closing date of the Bond transaction, which lien either secures the purchase price of such Property or is a lien to which such Property is subject at the time of its acquisition, provided that the indebtedness secured by such lien constitutes permitted indebtedness of the Obligated Group.

(12) Any lien on Property received by the Obligated Group through gifts, grants, or bequests, or on the income therefrom, as a result of restrictions arising from the

terms of such gift, grant, or bequest that preclude the application of related principal or income to the payment of operating expenses or debt service.

(13) Liens on moneys deposited by residents, patients or others with an Obligated Group Member as security for, or as prepayment for, the cost of residency or patient care; or any rights of residents of life care or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

(14) Operating leases or ground leases whereunder an Obligated Group Member is the lessor; or any license or other use agreement made with respect to Property where revenues generated inure to the benefit of an Obligated Group Member.

(15) Any lien on money (or the investment made with such money) held in any depreciation reserve, debt service reserve, construction, debt service or similar fund and granted by an Obligated Group Member to secure payment of indebtedness (including any commitment indebtedness, whether or not then drawn upon); and any lien on money (or the investment made with such money) held in any escrow or similar fund to defease indebtedness.

(16) Any lien on Property (other than real estate) in the nature of a purchase money security interest resulting from installment sale agreements or borrowings, financing leases, or similar agreements relating to the acquisition of Property; or liens of a lessor or a vendor on the Property being leased or sold under a lease, installment sale or similar agreement.

(17) Such minor defects and irregularities of title 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.

(18) Any lien securing all Master Obligations on a parity basis.

(19) Any liens on Excluded Property.

“Permitted Investments” means dollar denominated investments, to the extent permitted by law, in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision and (ii) at the time of purchase rated by any Rating Agency in one of the three highest categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank or (ii) backed by the full faith and credit of the United States of America;

(d) United States denominated deposit accounts, certificates of deposit and banker's acceptances with domestic commercial banks, including the Master Trustee or its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A 1” by Standard & Poor's, “F

1” by Fitch or “P 1” by Moody's, without regard to gradation and which mature not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification “A 1” by Standard & Poor's, “F 1” by Fitch or “P 1” by Moody's, without regard to gradation and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which (i) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature or (ii) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by such Rating Agency; provided that if at any time after purchase the provider of the investment agreement drops below one of the three highest rating categories assigned by all Rating Agencies then rating such non-bank financial institution, the investment agreement must, within 30 days, either (x) be assigned to a provider rated in one of the three highest rating categories or (y) be secured by the provider with collateral securities the fair market value of which, in relation to the amount of the investment agreement, including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clauses (b) and (c) above, which agreements may be entered into with a bank (including, without limitation, the Related Bond Trustee or the Master Trustee), a trust company, a financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Related Bond Trustee or the Master Trustee's agent; and

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000 and having a rating of AAAM or AAAM-G by a Rating Agency, including money market mutual funds from which the Master Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (even if any rating is downgraded), absent receipt by a Responsible Officer of the Master Trustee of written notice to the contrary. To the extent such investment is no longer a Permitted Investment, the Obligated Group Representative shall promptly provide the Master Trustee an Obligated Group Representative Request with respect to any such investment pursuant to Section 3.02 herein.

“**Person**” means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

“**Personal Property**” means the Property described in GRANTING CLAUSE FIRST hereof.

“**Phase II Expansion Site**” means the Phase II Site, as defined in the Security Deed.

“**Place of Payment**” for a series of Master Obligations means a city or political subdivision designated as such pursuant to this Master Trust Indenture or a Supplement.

“**Premises**” means the Mortgaged Property described in the Security Deed.

“**Primary Obligor**” means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

“**Pro Forma Debt Service Coverage Ratio**” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service for the Long-Term Indebtedness then outstanding (other than any Long-Term Indebtedness being refunded with the Long-Term Indebtedness then proposed to be issued) and the Long-Term Indebtedness then proposed to be issued and a denominator of one.

“**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 for the Long-Term 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 not less than three obligations (or such lesser number as the Consultant shall deem appropriate, but in no event less than one) selected by such Consultant the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation), which obligations such Consultant states in its report are reasonable comparators to utilize in developing such Projected Rate and which obligations (a) 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, (b) 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, (c) are not entitled to the benefits of any credit enhancement (including, without limitation, any letter or line of credit or insurance policy) if the obligation for which the Projected Rate is being determined is not benefited by any credit enhancement and (d) 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 by a Person, but does not include Excluded Property.

“**Property, Plant and Equipment**” means all Property of each Member which is classified as property, plant and equipment under GAAP.

“**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 or other than by reason of acceleration upon the occurrence of an event of default.

“**Rating Agency**” means, as applicable, Moody’s, Standard & Poor’s or Fitch.

“**Related Bond Indenture**” means any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued including, without limitation, the Series 2021 Bond Indenture, the Series 2022A Bond Indenture and the Series 2023A Bond Indenture.

“**Related Bond Trustee**” means the bond trustee and its successor in the trust created under any Related Bond Indenture, including, without limitation, the Series 2021 Bond Trustee, the Series 2022A Bond Trustee and the Series 2023A Bond Trustee.

“**Related Bonds**” means the Series 2021 Bonds, the Series 2022A Bonds, the Series 2023A Bonds and any other revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (“governmental issuer”), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to any Obligated Group Member in consideration of the execution, authentication and delivery of a Master Obligation to or for the order of such governmental issuer.

“**Related Bonds Debt Service Reserve Fund**” means a debt service reserve fund established pursuant to a Related Bond Indenture to secure payment on any Related Bonds.

“**Related Loan Agreement**” means the Series 2021 Loan Agreement, the Series 2022A Loan Agreement, the Series 2023A Loan Agreement and any other loan agreement, lease agreement, financing agreement, credit agreement or other comparable instrument entered into in connection with a series of Related Bonds.

“**Required Information Recipient**” means the Master Trustee, each Related Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, the Initial Purchaser, the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the Securities and Exchange Commission from time to

time to act as a recognized municipal securities repository and all beneficial owners of Related Bonds who own \$500,000 or more in principal amount of Related Bonds and request such reports in writing (which written request shall include a certification as to such beneficial ownership).

“Residence and Services Agreement” means each and every contract, including, without limitation, any “reservation agreement” or “Residence and Services Agreement,” as amended from time to time, between an Obligated Group Member and a resident of the Facilities giving the resident certain rights of occupancy in the Facilities, including, without limitation, the Independent Living Units, personal care units, skilled nursing beds or specialty care (dementia) beds and providing for certain services to such resident.

“Responsible Officer” means, when used with respect to the Master Trustee, the officer of the Master Trustee at its Corporate Trust Office having direct responsibility for administration of this Master Trust Indenture and also means, with respect to a particular corporate trust matter, any other officer of the Master Trustee to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the Revenue Fund created by Section 3.01 hereof.

“Revenues” means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees (other than Initial Entrance Fees to the extent such Initial Entrance Fees have been designated to be used to repay Short Term Indebtedness related to the Facilities in receipt of such Initial Entrance Fees) received minus (A) Entrance Fees amortized during such period and (B) Entrance Fees refunded to residents, plus (vi) payments received from any Affiliate of an Obligated Group Member, plus (vii) to the extent not included in (vi), development fee payments received by the Obligated Group from Affiliates or unrelated third parties, plus (viii) any Federal Subsidy Payments; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in 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 investments or Hedge Agreements, (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, and (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 under this Master Trust Indenture, 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 calculations under this Master Trust Indenture, any withdrawal from the Working Capital Fund created under Supplement Number 5 shall be included in the calculation of Revenues if such withdrawal is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“RLA” means Retirement Living Associates, Inc., a North Carolina corporation.

“Security Deed” means the Fourth Amended and Restated Deed of Trust, dated as of October 1, 2021, from the Obligor to Stewart Title Company, as trustee, for the benefit of the Master Trustee, recorded in the Wake County, North Carolina real estate records.

“Series 2012 Subordinated Obligations” means the Master Obligations of the Obligor pursuant to and described in Supplement Number 1: (i) the MatchCap Obligation in the initial principal amount of \$6,800,000 (ii) the Sears Farm Obligation in the initial principal amount of \$3,383,000, (iii) the Greenbrier Deferred Fees in the initial principal amount of \$500,000, (iv) the RLA Deferred Fees in the initial principal amount of \$700,000, (v) the Sears Farm Deferred Fees in the initial principal amount of \$993,000, (vi) the SearStone-RLA Deferred Fees in the initial principal amount of \$400,000, and (vii) the SHKW Deferred Fees in the initial principal amount of \$711,000.

“Series 2021 Bond Indenture” means the Indenture of Trust, dated as of October 1, 2021, between the Series 2021 Related Bond Issuer and the Series 2021 Bond Trustee, relating to the Series 2021 Bonds.

“Series 2021 Bond Trustee” means UMB Bank, National Association, as bond trustee under the Series 2021 Bond Indenture.

“Series 2021 Bonds” means, collectively, the Series 2021A Bonds, the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds.

“Series 2021 Loan Agreement” means the Loan Agreement, dated as of October 1, 2021, between the Series 2021 Related Bond Issuer and the Obligor, relating to the Series 2021 Bonds.

“Series 2021 Obligations” means the Series 2021A Obligation and the Series 2021B-C Obligation.

“Series 2021 Related Bond Issuer” means the Public Finance Authority, a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin.

“Series 2021A Bonds” means the Public Finance Authority Revenue Bonds (SearStone CCRC Project) Series 2021A, issued pursuant to the Series 2021 Bond Indenture.

“Series 2021A Obligation” means the Samaritan Housing Foundation, Inc. 2021A Obligation, in the principal amount of \$_____, payable to the Series 2021 Bond Trustee and issued under Supplement Number 5 to secure repayment of the Series 2021A Bonds.

“Series 2021B-1 Bonds” means the Public Finance Authority Entrance Fee Principal Redemption Bonds™ (SearStone CCRC Project) Series 2021B-1, issued pursuant to the Series 2021 Bond Indenture.

“Series 2021B-2 Bonds” means the Public Finance Authority Entrance Fee Principal Redemption Bonds™ (SearStone CCRC Project) Series 2021B-2, issued pursuant to the Series 2021 Bond Indenture.

“Series 2021C Bonds” means the Public Finance Authority Entrance Fee Principal Redemption Bonds™ (SearStone CCRC Project) Series 2021C Taxable, issued pursuant to the Series 2021 Bond Indenture.

“Series 2021B-C Obligation” means the Samaritan Housing Foundation, Inc. 2021B-C Obligation, in the principal amount of \$_____, payable to the Series 2021 Bond Trustee and issued

under Supplement Number 5 to secure repayment of the Series 2021B-1 Bonds, the Series 2021B-2 Bonds and the Series 2021C Bonds.

“**Series 2022A Bond Indenture**” means the Indenture of Trust Indenture, dated as of March 1, 2022, between the Series 2022A Related Bond Issuer and the Series 2022A Bond Trustee, relating to the Series 2022A Bonds.

“**Series 2022A Bond Trustee**” means UMB Bank, National Association, as bond trustee under the Series 2022A Bond Indenture.

“**Series 2022A Bonds**” means the Public Finance Authority Refunding Revenue Bonds (SearStone CCRC Project) Series 2022A, issued pursuant to the Series 2022A Bond Indenture.

“**Series 2022A Loan Agreement**” means the Loan Agreement, dated as of March 1, 2022, between the Series 2022A Related Bond Issuer and the Obligor, relating to the Series 2022A Bonds.

“**Series 2022A Obligation**” means the Samaritan Housing Foundation, Inc. 2022A Obligation, in in the principal amount of \$_____, payable to the Series 2022A Bond Trustee and issued under Supplement Number 6 to secure repayment of the Series 2022A Bonds.

“**Series 2022A Related Bond Issuer**” means the Public Finance Authority, a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin.

“**Series 2023A Bond Indenture**” means the Indenture of Trust Indenture, dated as of March 1, 2023, between the Series 2023A Related Bond Issuer and the Series 2023A Bond Trustee, relating to the Series 2023A Bonds.

“**Series 2023A Bond Trustee**” means UMB Bank, National Association, as bond trustee under the Series 2023A Bond Indenture.

“**Series 2023A Bonds**” means the Public Finance Authority Refunding Revenue Bonds (SearStone CCRC Project) Series 2023A, issued pursuant to the Series 2023A Bond Indenture.

“**Series 2023A Loan Agreement**” means the Loan Agreement, dated as of March 1, 2023, between the Series 2023A Related Bond Issuer and the Obligor, relating to the Series 2023A Bonds.

“**Series 2023A Obligation**” means the Samaritan Housing Foundation, Inc. 2023A Obligation, in in the principal amount of \$_____, payable to the Series 2023A Bond Trustee and issued under Supplement Number 7 to secure repayment of the Series 2023A Bonds.

“**Series 2023A Related Bond Issuer**” means the Public Finance Authority, a joint powers commission under the Act, the “commission” under Section 66.0304 of the Wisconsin Statutes, and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin.

“**Short Term Indebtedness**” means Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“**Short Term Resident Note**” means a note or other debt instrument which matures within 365 days payable to an Obligated Group Member executed by a current or future resident that is a party to a Residence and Services Agreement.

“**Stable Occupancy**” means, in connection with the incurrence of Additional Indebtedness for any Capital Addition, an average occupancy of 85% during the period in question.

“**Standard & Poor’s**” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to the Master Trustee.

“**Stated Maturity**” means, when used with respect to any Indebtedness or any installment of interest thereon, any date specified in the instrument evidencing such Indebtedness or such installment of interest as a fixed date on which the principal of such Indebtedness or any installment thereof or the fixed date on which such installment of interest is due and payable.

“**Subordinated Indebtedness**” means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation the terms of the documents providing for the issuance of which expressly provide that all payments on such indebtedness shall be subordinated to the timely payment of all Master Obligations, except Master Obligations that are or evidence other Subordinated Indebtedness, whether currently Outstanding or subsequently issued, and which contain the provisions described in Section 3.05 hereof. The Series 2012 Subordinated Obligations shall constitute Subordinated Indebtedness.

“**Subsidy Bonds**” means any Related Bonds for which the issuer or conduit borrower is entitled to receive Federal Subsidy Payments directly from the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments under the Code.

“**Supplement**” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Trust Indenture.

“**Supplement Number 1**” means Amended and Restated Supplemental Indenture Number 1, dated July 31, 2019, between the Obligor and Wells Fargo Bank, National Association, succeeded by UMB Bank, National Association, as Master Trustee.

“**Supplement Number 5**” means Supplemental Indenture Number 5, dated as of October 1, 2021, 2019, between the Obligor and the Master Trustee.

“**Supplement Number 6**” means Supplemental Indenture Number 5, dated as of March 1, 2022, between the Obligor and the Master Trustee.

“**Supplement Number 7**” means Supplemental Indenture Number 7, dated as of March 1, 2023, between the Obligor and the Master Trustee.

“**Tax-Exempt Organization**” means a Person organized under the laws of the United States of America or any state thereof that is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code or corresponding provisions of federal income tax laws from time to time in effect.

“**Testing Date**” shall have the meaning ascribed to it in Section 4.18 hereof.

“**Threshold Amount**” means the greater of (a) 5% of Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (b) \$1,000,000 plus an amount equal to \$1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of December 31, 2020. The determination of such amount shall be made by the Obligated Group Representative.

“**Title Policy**” means title insurance in the form of an ALTA mortgagee’s title policy issued by a title insurance company in favor of the Master Trustee in the face amount at least equal to the principal amount of the Outstanding Master Obligations (other than Master Obligations evidencing Subordinated Indebtedness), less the balance of any debt service reserve fund for the benefit of Outstanding Master Obligations, insuring that the Master Trustee has a valid lien in the Mortgaged Property subject only to Permitted Encumbrances.

“**Trust Estate**” has the meaning given such term in the Granting Clauses hereof.

“**Uniform Commercial Code**” shall mean, North Carolina’s Uniform Commercial Code, as amended from time to time.

“**Unrestricted Contributions**” means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“**Working Capital Fund**” means any working capital fund or account established pursuant to a Supplement in connection with the financing of a Capital Addition.

Section 1.02 Compliance Certificates and Reports

Whenever the amount or date of any of the following is a condition to the taking of any action permitted hereby:

(a) Estimated Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any future Fiscal Year shall be established by a certificate or report of a Consultant stating the amount of such estimated item based upon assumptions provided by such Person and stating that such assumptions are, in the opinion of the Consultant, reasonable;

(b) any of:

(i) Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any prior Fiscal Year or period,

(ii) Maximum Annual Debt Service of any Person, and

(iii) principal of and interest on any Indebtedness

shall be established by an Officer’s Certificate of the Obligated Group Representative stating the amount of such item and that such amounts have been derived from either the most recent financial statements of the Obligated Group delivered to the Master Trustee pursuant to Section 4.14 hereof or, for any period other than a prior Fiscal Year, from the internally prepared financial statements of the Obligated Group for such period;

(c) the anticipated date of completion of any construction project of any Person shall be established by an Officer’s Certificate of the Obligated Group Representative; and

(d) securities shall include any amounts invested in marketable securities, whether classified as short term or long term assets.

All calculations required to be made hereunder with respect to the Obligated Group shall be made after elimination of intercompany items on a combined basis. The character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes hereof shall be determined or made in accordance with GAAP in effect on the date hereof or, at the option of the Obligated Group Representative, at the time in effect (provided that GAAP is applied consistently with the requirements existing either on the date hereof or at the time in effect), except that assets, liabilities, items of income and expenses of Affiliates which are not included in the Obligated Group shall not be taken into account, and except where such principles are inconsistent with the requirements of this Master Trust Indenture; provided, however, that there shall not be included in any calculation any item otherwise required to be included in such calculation with respect to any Person which has withdrawn or is withdrawing from the Obligated Group.

Section 1.03 Form of Documents Delivered to Master Trustee

Upon any request or application by the Obligated Group to the Master Trustee to take any action under this Master Trust Indenture, and if requested by the Master Trustee, the Obligated Group shall furnish to the Master Trustee (a) an Officer’s Certificate stating that, in the opinion of the signer, all conditions precedent and covenants, if any, provided for in this Master Trust Indenture relating to the proposed action have been satisfied; and (b) an Opinion of Counsel stating that, in the opinion of such counsel (who may rely upon an Officer’s Certificate as to matters of fact), all such conditions precedent and covenants have been satisfied.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel or Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Trust Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04 Acts of Holders of Master Obligations

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Trust Indenture to be given or taken by Holders of Master Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of Master Obligations in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee and, where it is hereby expressly required, to the Obligated Group Representative. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders of Master Obligations signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Master Trust Indenture and conclusive in favor of the Master Trustee and the Obligated Group Members, if made in the manner provided in this Section. The Obligated Group may establish a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this Master Trust Indenture.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership of Master Obligations shall be proved by the Obligation Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Master Obligation shall bind every future Holder of the same Master Obligation and the Holder of every Master Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Obligated Group Members in reliance thereon, whether or not notation of such action is made upon such Master Obligation.

Section 1.05 Notices, etc. to Master Trustee and Obligated Group Members

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Master Obligations or other document provided or permitted by this Master Trust Indenture to be made upon, given or furnished to or filed with:

(a) the Master Trustee by any Holder of Master Obligations or by any specified Person shall be sufficient for every purpose hereunder if actually received by the Master Trustee at the Corporate Trust Office, or at any other address previously furnished in writing to the Obligated Group Members and the Holders of Master Obligations by the Master Trustee;

(b) the Obligated Group Members by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Obligated Group Representative addressed to it at Samaritan Housing Foundation, Inc., 1201 West Peachtree Street, NE, Suite 3250, Atlanta, Georgia 30309, Attention: President, or at any other address previously furnished in writing to the Master Trustee by the Obligated Group Representative; or

(c) any Obligated Group Member by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, registered or certified first class postage prepaid, to the Obligated Group Member addressed to it at the address specified in the

Supplement executed by such Obligated Group Member or at any other address previously furnished in writing to the Master Trustee by such Obligated Group Member.

(d) Notwithstanding the above, in the case of any notice given by the Master Trustee by Electronic Means pursuant to the provisions of this Master Trust Indenture, the Master Trustee shall have no duty or obligation to verify or confirm receipt by the Person to whom the notice is directed; provided, however, the Master Trustee shall (i) verify that the Electronic Means address matches an Electronic Means address previously provided to the Master Trustee in accordance with the policies and procedures of the Master Trustee, and (ii) take notice if an error message is received by the Master Trustee indicating a delivery delay or failure has resulted, in which case the notice shall be given by means other than Electronic Means. Further, the Master Trustee shall have no duty or obligation to verify or confirm that the person who sent any instructions or directions to the Master Trustee by Electronic Means is, in fact, a person authorized to give instructions or directions on behalf of the sender (other than to verify that the sender purports to be a person authorized to give instructions and directions on behalf of the entity); and the Master Trustee shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Obligated Group as a result of such reliance upon or compliance with such instructions or directions. The Obligated Group agrees to assume all risks arising out of the use of Electronic Means or facsimile transmission 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 1.06 Notices to Holders of Master Obligations; Waiver

Where this Master Trust Indenture provides for notice to Holders of Master Obligations of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder of such Master Obligations, at its address as it appears on the Obligation Register, not later than the latest date, and not earlier than the earliest date, prescribed for the transmission of such notice; provided, however, if notice is permitted by the terms of this Master Trust Indenture to be sent by Electronic Means, the provisions of Section 1.05 hereof shall apply. Where this Master Trust Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Master Obligations shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.07 Notices to Rating Agencies

If any Related Bonds are then rated by a Rating Agency, the Obligated Group Representative shall give prompt notice to such Rating Agency of any of the following events:

(a) any Event of Default hereunder;

(b) the incurrence by any Obligated Group Member of any Long-Term Indebtedness in principal amount greater than \$2,500,000; and

(c) any addition to or withdrawal from the Obligated Group.

Section 1.08 Effect of Headings and Table of Contents

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09 Successors and Assigns

All covenants and agreements in this Master Trust Indenture by the Obligated Group Members shall bind their respective successors and assigns, whether so expressed or not.

Section 1.10 Separability Clause

In case any provision in this Master Trust Indenture or in the Master Obligations shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11 U.S.A. PATRIOT Act

The Obligated Group acknowledges that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Master Trustee, 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 the Master Trustee. The parties to this Master Trust Indenture agree that they will provide the Master Trustee with such information as it may request in order for the Master Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

[End of Article I]

ARTICLE II THE MASTER OBLIGATIONS

Section 2.01 Series and Amount of Master Obligations

(a) Master Obligations shall be issued under this Master Trust Indenture in series created by Supplements permitted hereunder. Each series shall be designated to differentiate the Master Obligations of such series from the Master Obligations of any other series. No Master Obligations issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness); provided, however, that the provision of a Hedge Agreement or Credit Facility or the establishment of a debt service reserve fund or account for the sole benefit of the Holders of certain Master Obligations shall be permitted. The number of series of Master Obligations that may be created under this Master Trust Indenture is not limited. The aggregate principal amount of Master Obligations of each series that may be created under this Master Trust Indenture is not limited except as restricted by Supplement and the provisions of Article IV of this Master Trust Indenture. Master Obligations shall be issued only in registered form.

(b) Any Obligated Group Member proposing to incur Indebtedness subsequent to the issuance of the Series 2023A Master Obligation, whether evidenced by Master Obligations issued pursuant to a Supplement or by evidences of Indebtedness issued pursuant to documents other than this Master Trust Indenture, shall give written notice of its intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred, to the Obligated Group Representative and the other Obligated Group Members. The Obligated Group Representative shall provide the Master Trustee with a copy of any such notice it receives prior to the date such Indebtedness is to be incurred. Any such Obligated Group Member, other than the Obligated Group Representative, proposing to incur such Indebtedness subsequent to the issuance of the Series 2023A Master Obligation, shall obtain the written consent of the Obligated Group Representative, which consent shall be evidenced by an Officer's Certificate of the Obligated Group Representative filed with the Master Trustee or an endorsement to such Indebtedness signed by the Obligated Group Representative, stating compliance of such Indebtedness with this Master Trust Indenture.

Section 2.02 Appointment of Obligated Group Representative

Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative (a) full and exclusive power to execute Supplements authorizing the issuance of Master Obligations or series of Master Obligations, (b) full and exclusive power to execute Master Obligations for and on behalf of the Obligated Group and each Obligated Group Member, (c) full and exclusive power to execute Supplements on behalf of the Obligated Group and each Obligated Group Member pursuant to Sections 9.01 and 9.02 hereof, and (d) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Master Obligations hereunder or Related Bonds associated therewith and to execute and deliver such items to the appropriate parties in connection therewith.

Section 2.03 Execution and Authentication of Master Obligations

All Master Obligations shall be executed for and on behalf of the Obligated Group and the Obligated Group Members by an Authorized Obligor Representative of the Obligated Group Representative. The signature of any such Authorized Obligor Representative may be manual or may be mechanically or photographically reproduced on the Master Obligation. If any Authorized Obligor Representative whose signature appears on any Master Obligation ceases to be such Authorized Obligor Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as

if such Authorized Obligor Representative had remained in office until such delivery. Each Master Obligation shall be manually authenticated by an authorized officer of the Master Trustee, without which authentication no Master Obligation shall be entitled to the benefits hereof, and shall be dated the date of its authentication.

The Master Trustee's authentication certificate shall be substantially in the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Master Obligation is one of the Master Obligations referred to in the aforementioned Master Trust Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION,**
as Master Trustee

By: _____
Authorized Signatory

Section 2.04 Supplement Creating Master Obligations

The Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee may from time to time enter into a Supplement in order to create Master Obligations hereunder. Each Supplement authorizing the issuance of Master Obligations shall specify and determine the date of the Master Obligations, the principal amount thereof, the purposes for which such Master Obligations are being issued, the form, title, designation and manner of numbering or denominations, if applicable, of such Master Obligations, the date or dates of maturity of such Master Obligations, the rate or rates of interest (or method of determining the rate or rates of interest) and premium, if any, borne by such Master Obligations, the arrangement for place and medium of payment and any other provisions deemed advisable or necessary, and any of the foregoing terms may be incorporated into such Supplement by reference. Each Master Obligation shall be issuable, shall be transferable and exchangeable and shall be subject to redemption as specified in this Master Trust Indenture and in the Supplement. Any Master Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the aggregate principal amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Unless a Master Obligation has been registered under the Securities Act of 1933, as amended (or similar legislation subsequently enacted), each such Master Obligation shall be endorsed with a legend which shall read substantially as follows: "This [describe Master Obligation] has not been registered under the Securities Act of 1933 or any state securities law;" provided, however, such legend shall not be required if the Master Trustee is provided with an Opinion of Counsel to the effect that such legend is not required.

A Supplement and the Master Obligations issued thereunder may contain, as applicable, provisions relating to a Credit Facility, as well as any and all compatible provisions necessary in order to make the Master Obligations meet the requirements of an issuer of such Credit Facility. Similarly, a Supplement may provide for Master Obligations to be issued in fixed or variable rate forms, as the case may be, with such tender and redemption provisions as may be deemed necessary for the issuance thereof and provide for the execution of required documents necessary for such purposes, and may specifically subordinate payment, remedies and any other provisions of the Master Obligations issued thereunder to the provisions of any other Master Obligations.

Section 2.05 Conditions to Issuance of Master Obligations Hereunder

With respect to Master Obligations created hereunder subsequent to the issuance of the Series 2023A Master Obligation, simultaneously with or prior to the execution, authentication and delivery of Master Obligations pursuant to this Master Trust Indenture:

(a) The Obligated Group Representative (on behalf of the Obligated Group Members) shall deliver to the Master Trustee (i) an Obligated Group Representative Request for the authentication of any such Master Obligations and (ii) an Officer's Certificate of the Obligated Group Representative stating that all covenants, requirements and conditions to the issuance and authentication of such Master Obligations set forth in the related Supplement and in this Master Trust Indenture (including, without limitation, the provisions of Sections 4.15 and 9.01 hereof) shall have been complied with and satisfied, and the Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee shall have entered into a Supplement as provided in Section 2.04 hereof;

(b) The Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) registration of such Master Obligations under the Securities Act of 1933, as amended, and qualification of this Master Trust Indenture or the Supplement under the Trust Indenture Act of 1939, as amended, is not required or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with; (ii) this Master Trust Indenture, as amended and supplemented by such Supplement, and the Master Obligations are valid, binding and enforceable obligations of each of the Obligated Group Members in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally, usual equity principles and other reasonable exclusions; (iii) all covenants, requirements and conditions to the execution and delivery of the Supplement and issuance and authentication of such Master Obligations set forth in the Supplement and in this Master Trust Indenture have been complied with and satisfied; and (iv) documents necessary to cause the Lien of the Master Trustee in the Trust Estate to be perfected or recorded in accordance with this Master Trust Indenture and applicable law are in proper form for filing or recording, as applicable;

(c) If Master Obligations are issued with respect to tax-exempt Related Bonds, the Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Bond Counsel to the effect that issuance of such Master Obligations will not adversely affect the exclusion from gross income of interest on such Related Bonds;

(d) Copies of North Carolina Uniform Commercial Code financing statements filed pursuant to Section 4.03 in form suitable for filing in the UCC Office of the North Carolina Secretary of State shall have been delivered to the Master Trustee;

(e) Additional Master Obligations may be secured on a parity first lien basis with the outstanding Master Obligations by the issuance of a Master Obligation to the holder of such Additional Indebtedness if one of the tests described in Section 4.15(a) or (b) are met; and

(f) Additional Indebtedness may also be secured by (i) a Lien on Property not constituting a part of the Premises, (ii) a purchase money security interest on new or replacement equipment and fixtures, or (iii) Permitted Encumbrances.

Section 2.06 List of Holders of Master Obligations

The Master Trustee shall keep on file at its office the Obligation Register which shall consist of a list of the names and addresses of the Holders of all Master Obligations. At reasonable times and under

reasonable regulations established by the Master Trustee, the Obligation Register may be inspected and copied by any Obligated Group Member, the Holder of any Master Obligation or the Authorized Obligor Representative; provided that the ownership by such Holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 2.07 Optional and Mandatory Redemption

Master Obligations of each series may be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity, as provided in the Supplement creating such series, but not otherwise.

Section 2.08 Mutilated, Destroyed, Lost and Stolen Master Obligations

If (a) any mutilated Master Obligation is surrendered to the Master Trustee, or the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Master Obligation, and (b) there is delivered to the Master Trustee and the Obligated Group Representative such security or indemnity as may be required by the Master Trustee and the Obligated Group Representative to save it and the Obligated Group harmless, then, in the absence of notice to the Obligated Group Representative or the Master Trustee that such Master Obligation has been acquired by a bona fide purchaser, the Obligated Group Representative shall execute and upon its written request the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Master Obligation a new Master Obligation of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Master Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may, instead of issuing a new Master Obligation, pay such Master Obligation.

Upon the issuance of any new Master Obligation under this Section, the Obligated Group Representative and the Master Trustee 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 the fees and expenses of the Master Trustee) connected therewith.

Every new Master Obligation issued pursuant to this Section in lieu of any destroyed, lost or stolen Master Obligation shall constitute an original additional contractual obligation of the maker thereof, whether or not the destroyed, lost or stolen Master Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Trust Indenture equally and proportionately with any and all other Master Obligations duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Master Obligations.

Section 2.09 Cancellation

All Master Obligations surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already canceled or required to be otherwise delivered by the terms of the Supplement authorizing the series of Master Obligations of which such Master Obligation is a part, shall be promptly canceled by it. The Obligated Group Representative may at any time deliver to the Master Trustee for cancellation any Master Obligations previously authenticated and delivered hereunder, which the Obligated Group Representative

may have acquired in any manner whatsoever, and all Master Obligations so delivered shall be promptly canceled by the Master Trustee. No Master Obligations shall be authenticated in lieu of or in exchange for any Master Obligations canceled as provided in this Section, except as expressly permitted by this Master Trust Indenture. All canceled Master Obligations held by the Master Trustee shall be treated by the Master Trustee in accordance with its current document retention policies.

[End of Article II]

ARTICLE III FUNDS AND ACCOUNTS

Section 3.01 Revenue Fund

(a) If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five days following the expiration of any cure period with respect thereto, the Master Trustee shall establish a fund called the "Samaritan Housing Foundation, Inc. - Revenue Fund" and each Obligated Group Member shall deposit with the Master Trustee all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrances) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no default under Section 7.01(a) of this Master Trust Indenture or in the payment of any other Master Obligations then exists or such default has been waived in accordance with the terms hereof.

(b) On the fifth Business Day preceding the end of each month in which any Obligated Group Member has made payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(i) If the principal of all the Master Obligations has not been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due in the next succeeding month to the Master Trustee under this Master Trust Indenture;

Second: to an operating account designated by the Obligated Group Representative (which shall be subject to the lien of this Master Trust Indenture), the amount the Obligated Group Representative certifies is necessary to pay the Expenses due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget, followed by payment of Entrance Fee refunds to residents to the extent required under entrance fee agreements;

Third: to the payment of the amounts then due and unpaid upon the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively;

Fourth: to restore any deficiency in the Debt Service Reserve Fund;

Fifth: to the payment of the amounts then due and unpaid upon the Master Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: any balance shall be kept in the Revenue Fund for application as set forth in items First through Fifth of this subsection; upon delivery to the Master Trustee of an Officer's Certificate to the effect that (a) items First through Fifth of this subsection have been fully

funded, (b) there is no Event of Default, and (c) after giving effect to such distribution, the Obligated Group will be in compliance with the Liquidity Requirement, and as of the last required calculation, the Obligated Group was in compliance with the Debt Service Coverage Ratio Covenant, all or a portion of such balance shall be distributed to or as directed by the Obligated Group Representative.

(ii) If the principal of all the Master Obligations has been declared to be due and payable immediately:

First: to the payment of all amounts due or reasonably anticipated to become due the Master Trustee under this Master Trust Indenture;

Second: to the payment of the Expenses that the Obligated Group Representative certifies are due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget; provided however, that if the Master Trustee, in its sole discretion, determines that the payment of such Expenses is not in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of Master Obligations then Outstanding not to pay such Expenses, then to pay the amounts required by paragraph Third below;

Third: to the payment of the amounts then due and unpaid upon the Master Obligations, other than Master Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively;

Fourth: to the payment of the amounts then due and unpaid upon Indebtedness not constituting Master Obligations or Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Indebtedness for principal (and premium, if any) and interest, respectively;

Fifth: to the payment of the amounts then due and unpaid upon the Master Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: To the Obligated Group Representative.

(c) The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 7.08 hereof. Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in accordance with Section 3.02 hereof. All such investments shall have a maturity not greater than 91 days from the date of purchase.

(d) Except as described in Section 3.01(a) above, each Obligated Group Member shall be entitled to full possession and use of its Gross Revenues other than any Entrance Fees then required to be deposited into an Entrance Fee Fund established by a Supplement.

Section 3.02 Investment of Funds

Any moneys held by the Master Trustee hereunder, including any fund or account established pursuant to any Supplement, shall be invested or reinvested by the Master Trustee in Permitted Investments selected by the Obligated Group Representative upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to rely). Absent such written request and direction, the Bond Trustee shall invest and re-invest in Permitted Investments described in clause (i) of the definition thereof. Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee, at such times as it is anticipated by the Obligated Group Representative that moneys from the particular fund will be required for the purposes of this Master Trust Indenture. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor under such investment is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its affiliates. The Master Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Master Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades. In the absence of written investment instructions from the Obligated Group Representative, the Master Trustee shall hold funds on deposit without investment and without liability for interest or other compensation thereon, and shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. Confirmations of investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered.

The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Master Trust Indenture. The Master Trustee shall make copies of such records available to the Obligated Group Representative upon its reasonable written request.

Section 3.03 Allocation and Transfers of Investment Income

Any investments in any fund or account shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the fund or account from which the investment was made. Any loss resulting from such investments shall be charged to such fund or account. Any interest or other gain from any fund or account from any investment or reinvestment pursuant to Section 3.02 hereof on deposit in such fund or account (other than the Revenue Fund) on each January 1, April 1, July 1 and October 1 shall be transferred to the Obligated Group Representative upon its written request.

Section 3.04 Master Trustee Relieved From Responsibility

The Master Trustee shall be fully protected in conclusively relying upon any Obligated Group Representative Request relating to investments in any fund, shall not be liable for any losses or prepayment penalties as a result of complying with any such Obligated Group Representative Request and shall not be required to ascertain any facts with respect to such Request.

Section 3.05 Subordinated Indebtedness

(a) An Obligated Group Member will not make payments on Subordinated Indebtedness unless the following conditions are satisfied:

(i) if the proposed payment had occurred as of the last day of the most recent fiscal quarter for which financial statements have been delivered under Section 4.14 hereof or otherwise posted to EMMA, the Obligated Group would have had 200 Days Cash on Hand, after giving effect to such payment, as of such date;

(ii) if the proposed payment had occurred during the most recent fiscal quarter for which financial statements have been delivered under Section 4.14 hereof or otherwise posted to EMMA, the Debt Service Coverage Ratio calculated as of the end of such fiscal quarter would have been not less than 1.35; and

(iii) there is no deficiency in the bond fund or the debt service reserve fund with respect to any Outstanding Master Obligations or Related Bonds, and there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under this Master Trust Indenture.

(b) All payments on Subordinated Indebtedness in a fiscal period shall be subordinated to all payments due on any Master Obligations Outstanding in such period, except for Master Obligations evidencing other Subordinated Indebtedness.

(c) Payments of principal and interest on Subordinated Indebtedness which are not permitted to be paid pursuant to the foregoing requirements shall be deferred but, unless otherwise provided in a Supplement governing such Subordinated Indebtedness, shall be subject to accrual of interest during the period of deferral. Subordinated Indebtedness may not be accelerated without the prior written consent of the Holder of each Master Obligation Outstanding that does not constitute Subordinated Indebtedness.

(d) Notwithstanding the foregoing, no payment of principal of the Series 2012 Subordinated Obligations will be made unless the following conditions have been satisfied: (i) the Debt Service Coverage Ratio will exceed 1.35 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio required to accompany the annual audited financial statements of the Obligated Group, after taking into account the proposed payment as if made in the preceding fiscal year; (ii) after the proposed payment the Days' Cash on Hand will not be less than 300 based on the written statement of the Accountant calculating the Days' Cash on Hand required to accompany the annual audited financial statements of the Obligated Group; and (iii) the Obligated Group delivers a certification by the Obligated Group Representative that (A) no deficiency exists in the Debt Service Reserve Fund; and (B) no Event of Default has occurred and is continuing under the Master Indenture.

(e) Notwithstanding the foregoing, Series 2012 Subordinated Obligations may be paid in accordance with Supplement Number 5.

(f) The provisions of this Section 3.05 shall supersede the provisions of Section 9.01 of Supplement Number 1 with respect to payment of the principal of and interest on the Series 2012 Subordinated Obligations.

Section 3.06 Debt Service Reserve Fund

(a) Pursuant to this Section 3.06 and any Supplement directing that a Debt Service Reserve Fund be established or maintained as security for a Master Obligation issued thereunder, the Master Trustee shall establish and maintain one or more Debt Service Reserve Funds as security for one or more Master Obligations issued hereunder.

(b) Each Debt Service Reserve Fund may serve as security for only one Master Obligation issued hereunder or may serve as security for more than one Master Obligation issued hereunder, in which case all Master Obligations secured by such Debt Service Reserve Fund shall be secured equally and ratably by the amounts on deposit in such Debt Service Reserve Fund (i.e., such Debt Service Reserve Fund shall not serve as security for Subordinated Indebtedness); provided, however, that no Debt Service Reserve Fund shall serve as security for one or more Master Obligations that secure tax-exempt Related Bonds and one or more Obligations that evidence or secure taxable Indebtedness or Related Bonds.

(c) Upon establishment of a Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, money in an amount equal to the Debt Service Reserve Fund Requirement to the Master Trustee for deposit into such Debt Service Reserve Fund. After the establishment of a Debt Service Reserve Fund, if a Supplement provides that a Master Obligation issued thereunder shall be secured by such Debt Service Reserve Fund, the Obligated Group Members shall transfer, or cause to be transferred, to the Master Trustee for deposit into such Debt Service Reserve Fund money in an amount equal to the difference between the Debt Service Reserve Fund Requirement (after giving effect to the issuance of such Master Obligation) and the amount then on deposit in such Debt Service Reserve Fund.

(d) If a Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall establish an account within such Debt Service Reserve Fund for each source of money deposited in such fund, such as proceeds of Related Bonds secured by, or Indebtedness evidenced by, a Master Obligation or other money of Obligated Group Members, and deposit the money obtained from each such source in the appropriate account. Such accounts shall be established solely for the convenience of the Obligated Group Members in maintaining an accounting of the uses and applications of such funds under the provisions of applicable federal and state law, and shall equally and ratably secure all Master Obligations for which such Debt Service Reserve Fund has been established.

(e) If the Holder of a Master Obligation secured by a Debt Service Reserve Fund delivers a written notice to the Master Trustee to the effect that the amount of principal or interest paid by the Obligated Group or the amount otherwise available to the Holder of such Master Obligation is less than the amount of principal or interest then due on such Master Obligation and specifying the amount of such deficiency of principal, interest or both, the Master Trustee, without further direction, shall immediately withdraw moneys from such Debt Service Reserve Fund in the amount of such deficiency and transfer such moneys to such Holder. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall withdraw the amount of such deficiency from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account. Amounts on deposit in any Debt Service Reserve Fund shall not be applied to pay principal of or interest on any Master Obligation other than the Master Obligation or Master Obligations secured thereby. The Master Trustee shall promptly provide written notice to the Obligated Group Members of any such withdrawal from any Debt Service Reserve Fund.

(f) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day of the month following a month in which money is withdrawn from a Debt Service Reserve Fund, each Obligated Group Member covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund, one-sixth

(1/6th) of the amount or amounts so withdrawn until the amount then on deposit in such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement. If an additional withdrawal is made from such Debt Service Reserve Fund prior to the restoration of the initial withdrawal, such additional withdrawal shall be restored by the Obligated Group Members in equal monthly installments over the remainder of the restoration period for the initial withdrawal. If such Debt Service Reserve Fund secures more than one Master Obligation, the Master Trustee shall deposit each amount paid to restore such Debt Service Reserve Fund into each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts withdrawn from each such account.

(g) If on any date of valuation pursuant to subsection (l) below the money held in a Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, including any excess created in whole or in part by the interest earnings on such Debt Service Reserve Fund, an amount equal to such excess shall be transferred by the Master Trustee to the Holder of the Master Obligation secured by such Debt Service Reserve Fund or, if more than one Master Obligation is secured by such Debt Service Reserve Fund, such excess shall be withdrawn from each account within such Debt Service Reserve Fund on a pro rata basis based on the amounts then on deposit in each such account and the amount withdrawn from each account shall be paid to the Holder of the Master Obligation that secures the Related Bonds or Indebtedness that were the source of the moneys deposited in such account or to the Members of the Obligated Group if they were the source of the moneys deposited in such account; provided, however, that any excess created by a refunding (or other payment or defeasance) of a portion of any tax-exempt Related Bonds may be applied in any manner directed by the Obligated Group Representative which, in an Opinion of Bond Counsel, will not cause the interest on such tax-exempt Related Bonds to be includable in the gross income of the owners thereof under the Code. Any such excess transferred to a Holder shall be credited against future amounts payable to such Holder by the Obligated Group Members, unless transferred to cure deficiencies therein.

(h) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, money held for the credit of a Debt Service Reserve Fund shall be continuously invested and reinvested by the Master Trustee in Permitted Investments to the extent practicable in accordance with the instructions of an Obligated Group Representative or, if no such instruction is given, in the Fidelity Treasury #696 Money Market Fund or a comparable money market fund. If accounts have been established within a Debt Service Reserve Fund, the Master Trustee may invest the money within each account separately or may use money from each account to purchase a proportionate share of an investment based on the balance then on deposit in each such account. Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, Permitted Investments deposited in a Debt Service Reserve Fund shall mature not later than two (2) years from the date on which such Permitted Investments were deposited therein. Notwithstanding the foregoing, no Permitted Investments in a Debt Service Reserve Fund may mature beyond the latest maturity date of any Related Bonds Outstanding that are secured by a Master Obligation that is secured by such Debt Service Reserve Fund at the time such Permitted Investments are deposited unless irrevocable instructions shall have been given to redeem such Permitted Investments on a date or dates not later than the latest maturity date of any such Related Bonds Outstanding. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

(i) An Obligated Group Representative shall give to the Master Trustee written directions or telephonic instructions that are confirmed immediately in writing respecting the investment of any money required to be invested under this Section 3.06 and the Master Trustee shall then invest such money under this Section as so directed by such Obligated Group Representative.

(j) Permitted Investments credited to any Debt Service Reserve Fund shall be held by or under the control of the Master Trustee and while so held shall be deemed at all times to be part of such fund or

account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account. The Master Trustee shall sell at the market price available or reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. The Master Trustee shall not be liable or responsible for any loss resulting from any such investment.

(k) For the purpose of determining the amount on deposit in any Debt Service Reserve Fund or account therein, Permitted Investments in which money in such fund or account is invested shall be valued (a) at face value if such Permitted Investments mature within six months from the date of valuation thereof, and (b) if such Permitted Investments mature more than six months after the date of valuation thereof at the price at which such Permitted Investments are redeemable by the holder at such holder's option if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Permitted investments minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Permitted Investments.

(l) The Master Trustee shall value the Permitted Investments in each Debt Service Reserve Fund and accounts therein established under this Section 3.06 and held by the Master Trustee three (3) business days prior to each June 30 and December 31 and at such times as shall be required in order for the Obligated Group Members to comply with federal income tax law applicable to any Related Bonds. In addition, the Permitted Investments shall be valued by the Master Trustee at any time requested by the Obligated Group Representative on reasonable notice to the Master Trustee (which period of notice may be waived or reduced by the Master Trustee); provided, however, that the Master Trustee shall not be required to value the Permitted Investments more than once in any calendar month other than as provided herein.

(m) If upon valuation of a Debt Service Reserve Fund, the balance in such fund, including accrued interest to the date of valuation, is less than the Debt Service Reserve Fund Requirement, the Master Trustee shall compute the amount by which the Debt Service Reserve Fund Requirement exceeds such balance and shall immediately give the Members of the Obligated Group notice of such deficiency and the amount necessary to cure the same.

(n) Unless otherwise provided in the Supplement directing that a Debt Service Reserve Fund be established and maintained, beginning on the fifth Business Day preceding the end of each month (and on the fifth Business Day of each month thereafter) following the month in which a valuation made in accordance with this Section 3.06 in which the amount on deposit in such Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement due to a loss resulting from a decline in the value of Permitted Investments held for the credit of such Debt Service Reserve Fund, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Master Trustee for deposit into such Debt Service Reserve Fund within thirty (30) days the amount by which the Debt Service Reserve Fund Requirement exceeds such balance until the amount on deposit to the credit of such Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement.

(o) The Obligated Group Members covenant and agree that money on deposit in any Debt Service Reserve Fund, whether or not such money was derived from the proceeds of the sale of any tax-exempt Related Bonds or from any other sources, and whether or not any tax-exempt Related Bonds are Outstanding, (i) will not be used in a manner that would cause any tax-exempt Related Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and (ii) will be used in a manner that will cause any tax-exempt Related Bonds not to be "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that the Master Trustee shall have no obligation to pay any amounts necessary to comply with this covenant other than from money received by the Master Trustee from the Obligated Group Members. The Master Trustee shall be fully protected in relying upon any written investment

instruction given by an Obligated Group Representative and shall not be liable for any losses or prepayment penalties as a result of complying with any such instruction and shall not be required to ascertain any facts in compliance with such instruction. In the event the Obligated Group Representative is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Master Trustee pursuant to this Section 3.06, or to use such money in certain manners, in order to avoid any tax-exempt Related Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code as such may be applicable to such tax-exempt Related Bonds at such time, the Obligated Group Representative may issue to the Master Trustee a written certificate to such effect and appropriate instructions, in which event the Master Trustee shall take such action as is set forth in such certificate and instructions, irrespective of whether the Master Trustee shares such opinion.

(p) The Master Trustee shall have a lien on all funds and accounts under this Master Trust Indenture to secure payment of its fees and expenses.

(q) Notwithstanding the foregoing, upon an Event of Default, the Master Trustee shall apply moneys held in a Debt Service Reserve Fund as directed in writing by the beneficial owners of a majority in principal amount of the Master Obligation or Master Obligations secured by such Debt Service Reserve Fund.

(r) A Debt Service Reserve Fund has been established pursuant to this Section 3.06 and Supplement Number 5, Supplement Number 6 and Supplement Number 7, which is referred to as "Reserve Fund No. 1," as security for the Series 2021A Obligation, the Series 2022A Obligation, the Series 2023A Obligation and any Additional Obligations evidencing Indebtedness other than Subordinated Indebtedness if required by the related Supplement.

[End of Article III]

**ARTICLE IV
COVENANTS OF THE OBLIGATED GROUP MEMBERS**

Section 4.01 Title to Trust Estate and Mortgaged Property; Title Insurance

Each of the Obligated Group Members warrants that it has good and indefeasible title to its portion of the Trust Estate and the Mortgaged Property free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except Permitted Encumbrances. Each of the Obligated Group Members represents that it has the right to provide a Lien on its portion of the Trust Estate and the Mortgaged Property and to enter into this Master Trust Indenture and the Security Deed and will warrant and defend to the Master Trustee the title and the lien of this Master Trust Indenture and the Security Deed as a valid and enforceable Lien on the Trust Estate and the Mortgaged Property, and a security interest therein, subject to Permitted Encumbrances. This Master Trust Indenture and the Security Deed each constitutes a valid and subsisting lien on and security interest in the Trust Estate and the Mortgaged Property, respectively, all in accordance with the terms hereof and thereof, subject to Permitted Encumbrances.

The Obligor, prior to or simultaneously with the issuance of the initial Master Obligation hereunder, will furnish the Title Policy. The Obligor will furnish within the time limit specified in any binder an original of the Title Policy. Upon request, the Obligor shall furnish the Master Trustee with copies of such Title Policy. The mortgagee's title policy will insure that the Master Trustee has a valid lien on the Premises, subject only to Permitted Encumbrances. There will be deleted from the Title Policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area or other matters which would be disclosed by an accurate survey and inspection of the Premises, mechanics' and materialmen's liens, or rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policy will contain the standard zoning endorsement. In lieu of the standard zoning endorsement the Obligated Group Members may provide an Opinion of Counsel to the effect that the Facilities are properly zoned or evidence of proper zoning from appropriate government officials. Simultaneously with the issuance of any Additional Master Obligations, or any amendment to the description of the Premises in Exhibit A to the Security Deed, the Obligated Group Members will furnish an appropriate endorsement to the Title Policy to the Master Trustee. Any Net Proceeds payable to the Obligated Group Members under the Title Policy will be subject to the lien of this Master Trust Indenture, will be paid to the Master Trustee, will be held by the Master Trustee in a special trust account, will be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments and, at the Obligated Group Representative's written direction, will be used (a) to acquire or construct replacement or substitute Property within the corporate limits of the jurisdiction in which title has been lost or (b) to prepay Master Obligations. Any proceeds of the Title Policy remaining after the Master Obligations are no longer Outstanding will be paid to the Obligated Group Representative.

Section 4.02 Further Assurances

The Obligated Group Members, upon the request of the Master Trustee or any Related Bond Trustee, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Master Trust Indenture and to subject the Trust Estate to the liens and security interests hereof.

If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five days following the expiration of any cure period with respect thereto, each Obligated Group Member, to the extent that Gross Revenues are not on deposit with the Master Trustee pursuant to the provisions of this Master Trust Indenture, shall use its best good faith efforts to cause the Master Trustee

to have and maintain "control" (within the meaning of N.C.G.S. § 25-8-106 and § 25-9-104) of all deposit accounts with any depository institution maintaining such accounts wherein any Gross Revenues are on deposit such that the security interests granted by this Master Trust Indenture herein will constitute valid and perfected security interests in such Gross Revenues in favor of the Master Trustee.

Section 4.03 Recording and Filing

The Obligated Group Members shall cause the Security Deed and all other instruments necessary to create and/or preserve the liens and security interests granted hereunder and thereunder and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as are necessary to protect the lien on and security interests in the Trust Estate and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges. Subject to Section 11.06 hereof, the Obligated Group Members hereby authorize the Master Trustee (provided that except for the filing of continuation statements in accordance with Section 11.06, Master Trustee shall have no obligation to do so) at any time and from time to time to file any financing statements, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Property of the Obligated Group Members, for the purpose of securing the lien on and security interest in the Trust Estate created pursuant to this Master Trust Indenture and the Security Deed. For purposes of such filings, the Obligated Group Members agree to furnish any information requested by the Master Trustee promptly upon request by the Master Trustee. The Obligated Group Members hereby irrevocably constitute and appoint the Master Trustee and any officer or agent of the Master Trustee, with full power of substitution, as its true and lawful attorneys in fact with full irrevocable power and authority in the place and stead of the Obligated Group Members or in the Obligated Group Members' own name to execute in the Obligated Group Members' name any documents and otherwise to carry out the purposes of this Section 4.03, to the extent that the Obligated Group Members' authorization above is not sufficient. To the extent permitted by law, the Obligated Group Members hereby ratify all acts said attorneys in fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. Furthermore, the Security Deed shall also constitute a "fixture filing" for the purpose of N.C.G.S. § 25-9-102 against all of the Trust Estate which is or to become fixtures. Information concerning the security interest herein granted may be obtained from the Obligated Group Members at the addresses of the Obligated Group Members as set forth in Section 1.05 of this Master Trust Indenture. The Obligor's identification number assigned by its state of incorporation is correctly set forth in Section 4.07 of this Master Trust Indenture. The Obligor shall promptly notify the Master Trustee of any change in its organizational identification number.

Section 4.04 Payment of Principal, Premium and Interest

The Obligated Group will duly and punctually pay the principal of (and premium, if any) and interest on the Master Obligations in accordance with the terms of the Master Obligations and this Master Trust Indenture.

Each Obligated Group Member hereby jointly and severally unconditionally guarantees the full and timely payment of the principal of, and premium, if any, and interest on all Outstanding Master Obligations which such Person has not created or otherwise made (and on which such Person is not otherwise primarily liable) in accordance with the terms thereof, whether at Stated Maturity, declaration of acceleration, call for redemption or otherwise. Such guaranty shall not be affected, modified or impaired upon the happening from time to time of any event, other than the payment of such Master Obligations (or provision therefor), including, without limitation, any of the following, whether or not with notice to, or the consent of, the guarantor:

(a) the waiver, compromise, settlement, release or termination by any Person of the obligations evidenced by such Master Obligations or any covenant or security in support thereof;

(b) the failure to give notice to the guarantor of the occurrence of an event of default under the terms and provisions of this Master Trust Indenture or any agreement under which such Master Obligations are created, assumed, guaranteed or secured;

(c) any failure, omission, or delay on the part of the Master Trustee or the Holder of such Master Obligations to enforce, assert or exercise any right, power or remedy conferred on the Master Trustee or such Holder in this Master Trust Indenture or any other agreement under which such Master Obligations are created, assumed, guaranteed or secured;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement under bankruptcy or similar laws, composition with creditors or readjustment of, or other similar proceedings affecting any such guarantor or any other obligor on Master Obligations;

(e) the invalidity, irregularity, illegality, unenforceability, or lack of value of, or any defect in any of the Master Obligations so guaranteed or any collateral security therefor; or

(f) to the extent permitted by law, any event or action that would, in the absence of this Section, result in the release or discharge by operation of laws of such guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Master Trust Indenture.

Section 4.05 Payment of Taxes and Other Claims

Each Obligated Group Member will pay or discharge or cause to be paid or discharged before the same shall become delinquent (a) all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon it or upon its income, profits or Property and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon its Property; provided, however, that no such Person shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge or claim to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings (with enforcement of any tax lien or penalty stayed pending such request), such Person shall have established and shall maintain adequate reserves on its books for the payment of the same and such Property is not jeopardized as a result of nonpayment.

Section 4.06 Maintenance of Properties

Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear, casualty, condemnation and acts of God excepted. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Obligated Group Representative may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent any such Person from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person (and in the opinion of the Governing Body of such Person if the Property involved is any substantial part of the properties of such Person taken in the aggregate), desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Master Obligations.

Section 4.07 Corporate Existence; Status of Obligated Group Members

(a) Subject to Section 5.01 hereof, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that no Person shall be required to preserve any right or franchise if the Governing Body of such Person shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Master Obligations.

(b) The Obligor's exact legal name is correctly set forth at the beginning of this Master Trust Indenture, and the Obligor is an organization of the type specified in the first paragraph of this Master Trust Indenture. The Obligor is formed or incorporated in or organized under the laws of the State of Georgia, and has an organizational control number of K905435 assigned by the Secretary of State of the State of Georgia. The Obligor will not cause or permit any change to be made in its name or identity unless the Obligor shall have first notified the Master Trustee in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required for the purpose of perfecting or protecting the lien and security interest of the Master Trustee. The Obligor's principal place of business and chief executive office, and the place where the Obligor keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding two months and will continue to be the address of the Obligor set forth in Section 1.05 hereof (unless the Obligor notifies the Master Trustee in writing at least 30 days prior to the date of such change).

Section 4.08 Preservation of Qualifications

Each Obligated Group Member will not allow any permit, right, license, franchise or privilege so long as it is necessary for the ownership or operation of the Facilities as a continuing care retirement community to lapse or be forfeited; provided, however, that an Obligated Group Member may modify, amend or forfeit any permit, right, licensing, franchise or privilege, in whole or in part, as long as such modification, amendment or forfeiture does not affect the operation of the Facilities as a continuing care retirement community. If an Obligated Group Member becomes a provider of services under and a participant in the Medicare program or any successor program thereto or any program by a federal, state or local government providing for payment or reimbursement for services rendered for health care, such Obligated Group Member shall use its commercially reasonable efforts to remain fully qualified as a provider of services and a participant in such program; provided, however, that no Obligated Group Member shall be required to maintain any such qualification if (a) the Governing Board of such Person shall determine that the maintenance of such qualification is not in the best economic interest of such Person and (b) at least 30 days prior to the discontinuance of such qualification, such Person shall notify the Initial Purchaser of such proposed discontinuance and shall provide the Initial Purchaser with a written explanation of the basis for such determination.

Section 4.09 Additions to Facilities

Any additions, improvements and extensions to the Facilities and repairs, renewals and replacements thereof, including, without limitation, any Capital Additions, shall upon their acquisition become part of the Facilities.

Section 4.10 Insurance

Each Member shall maintain, or cause to be maintained, at its sole cost and expense, insurance, self insurance or such risk retention pools, 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. Each Member which owns or operates health care facilities shall also maintain insurance covering the risk of professional and medical malpractice in such amount as, in its reasonable judgment is adequate to protect such Member and its operations. Except in the case of self-insurance described below or worker's compensation coverage, all insurance provided shall be maintained with an insurer rated "A-" or higher by A.M. Best & Company or by S&P. The Master Trustee shall be named as loss payee and an additional insured under all such policies (to the extent such option is commercially available) other than those related to malpractice liability insurance. The Obligated Group Representative shall annually review the insurance each Member maintains in order to determine whether such insurance is customary and adequate and deliver an Officer's Certificate to the Master Trustee on or before the end of each Fiscal Year beginning with Fiscal Year ending December 31, 2022, stating that such Member is in compliance with the requirements set forth herein. In addition, the Obligated Group Representative shall, at least once every two Fiscal Years, cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 60 days of the end of the applicable Fiscal Year which indicates that the insurance then being maintained by the Members meets the standards described above. The Obligated Group Representative shall cause copies of its review, or 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, upon Board Resolution adopted in good faith by its Governing Body, and upon the recommendation of an Insurance Consultant, adopt alternative risk management programs which shall be in compliance with applicable governmental rules and regulations, including, without limitation, the right: to self-insure in whole or in part; to organize, either solely or in connection with others, captive insurance companies; to participate in programs of captive insurance companies organized by others; to establish self-insurance trust funds; to participate in mutual or other cooperative insurance or other risk management programs with others; to participate in or enter in agreements with local, state or federal governments in order to achieve such insurance; to take advantage of state or federal statutes or laws now or hereafter in existence limiting medical and malpractice liability; to participate in such risk retention programs or to participate in other alternative risk management programs as shall be recommended by said Insurance Consultant.

Naming of the Master Trustee as a loss payee or an insured or additional insured under any insurance policy, or the furnishing to the Master Trustee of information relating thereto, shall not impose upon the Master Trustee any responsibility or duty to approve the form of such policy, the level of coverage, the qualifications of the company issuing same or any other matters relating thereto.

Section 4.11 Damage or Destruction

Each Member agrees to notify the Master Trustee in writing promptly in the case of the destruction of its Facilities or any material portion thereof as a result of fire or other casualty or any damage to such Facilities or material portion thereof as a result of fire or other casualty the Net Proceeds of which are estimated to exceed the Threshold Amount. If such Net Proceeds do not exceed the Threshold Amount, 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) 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.

In the event such Net Proceeds exceed the Threshold Amount, 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 at the direction of the Obligated Group Representative 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 an Event of Default has not occurred and is continuing 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:

(i) an Officer's Certificate certifying that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, improvement or acquisition;

(ii) the 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

(iii) 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 Request by an independent architect selected by the Obligated Group Representative or by a Consultant with skill and experience in construction or renovation matters.

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 Master Obligations. 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 Master Obligations other than Subordinated Indebtedness. 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 Master Obligations other than Master Obligations constituting Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding. Upon the payment in full of all Master Obligations other than Subordinated Indebtedness, the Member may direct the Master Trustee to apply such Net Proceeds to the prepayment of Subordinated Indebtedness. Any such prepayments of the Series 2012 Subordinated Obligations shall be made in conformity with Section 9.02 of Supplement Number 1.

(c) Option C - Partial Restoration and Partial Prepayment of Master Obligations. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration or 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 Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding, 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 4.11 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Notwithstanding the foregoing, the proceeds of business interruption insurance shall be paid directly to the applicable Obligated Group Member and are not subject to the provisions of this Section.

Section 4.12 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 Threshold Amount. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as hereinafter provided. If such Net Proceeds do not exceed the Threshold Amount, 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) 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.

In the event such Net Proceeds exceed the Threshold Amount, 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 an Event of Default has not occurred and is continuing 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:

- (i) an Officer's Certificate certifying that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, improvement or acquisition;
- (ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, reconstruction, improvement 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, reconstruction, improvement and acquisition; and

(iii) 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 Request by an independent architect selected by the Obligated Group Representative or by a Consultant with skill and experience in construction or renovation matters.

(b) **Option B - Prepayment of Master Obligations.** Such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Master Obligations other than Subordinated Indebtedness. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding. Upon the payment in full of all Master Obligations other than Master Obligations constituting Subordinated Indebtedness, the Member may direct the Master Trustee may apply such Net Proceeds to the prepayment of Subordinated Indebtedness. Any such prepayments of the Series 2012 Subordinated Obligations shall be made in conformity with Section 9.02 of Supplement Number 1.

(c) **Option C - Partial Restoration and Partial Prepayment of Master Obligations.** Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration, reconstruction 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 Master Obligations other than Subordinated Indebtedness on a pro rata basis among all such Master Obligations Outstanding, in which event such Net Proceeds to be used for repair, replacement, restoration, reconstruction, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.12 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Section 4.13 Other Provisions with Respect to Net Proceeds

Subject to Section 3.02 hereof, amounts received by the Master Trustee in respect of any awards shall, at the Request of the Obligated Group Representative, 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 Representative in Permitted Investments subject to any Member's right to receive the same pursuant to Sections 4.11 and 4.12 hereof. If any Member elects to proceed under either Section 4.11(a) or (c) hereof or Section 4.12(a) or (c) hereof, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Master Obligations on a pro rata basis among all Master Obligations Outstanding pursuant to an Obligated Group Representative Request.

Section 4.14 Financial Statements, Etc.

(a) (i) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP 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 GAAP would require the combination of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, combined financial statements prepared in accordance with GAAP which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 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 Required Information Recipients with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the combined financial statements delivered to

the Required Information Recipients and, in the opinion of the Accountant, is fairly stated in all material respects in relation to the combined 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 with or pursuant to this Master Trust Indenture.

(ii) No later than 30 days prior to the last day of each Fiscal Year, the Obligated Group Representative will prepare the Annual Budget (consisting of a statement of income and expenses on a monthly basis) for the following Fiscal Year which shall include amounts sufficient to pay maintenance costs shown in the Needs Assessment Analysis required by Section 4.26 hereof. If the Obligated Group Representative fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Annual Budget shall be provided to each Required Information Recipient no later than 30 days after the start of each Fiscal Year, and any amendment to the Annual Budget shall be provided to each Required Information Recipient within 30 days after its completion.

(b) The Obligated Group Representative will furnish or cause to be furnished to each Required Information Recipient (and the Master Trustee shall have no duty or obligation to review or examine the contents thereof) all of the following:

(i) Commencing with the quarter ending March 31, 2023, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such fiscal quarter.

If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(ii) Within 150 days of the end of each Fiscal Year, the audited annual financial statements of the Obligated Group examined by an Accountant which shall include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year.

(iii) On or before the date of delivery of the annual financial reports referred to in subsection (b)(ii) above, a management's discussion and analysis of results for the applicable fiscal period, and on or before the date of delivery of the quarterly and annual financial reports referred to in subsection (b)(i) and (ii) an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at

the end of the quarter and average occupancy of personal care units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, (3) material changes in services offered at the Facilities, (4) a statement whether the Facilities are in compliance with State regulations and statutes, (5) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, and (6) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.

(iv) Copies of (A) any board approved revisions to the summary of the Annual Budget provided pursuant to subsection (a)(ii) above, or (B) 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 status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(v) The Obligated Group Representative shall use its best efforts to make available one or more representatives for a quarterly telephone conference call (semi-annually if any of the Related Bonds are rated) with the beneficial owners of the Related Bonds and the Master Trustee to discuss the financial results of the preceding period and such other matters as are relevant or are reasonably requested by the beneficial owners of the Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least one week prior to the scheduled date of each call, but shall provide such notice to the Master Trustee.

(vi) Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.

(c) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Required Information Recipients a copy of each Consultant's final report required to be prepared under the terms of this Master Trust Indenture.

(d) The Obligated Group Representative shall give prompt written notice of a change of Accountant by the Obligated Group to each Required Information Recipient. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the Accountant claimed would have caused them to refer to the disagreement in a report on the disputed matter if it was not resolved to its satisfaction; and (iii) such additional information relating thereto as such Required Information Recipient may reasonably request.

(e) The Obligated Group Representative will furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee such additional information as the Master Trustee or such Related Bond Trustee may reasonably request concerning any Member and all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such Accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee. 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

Accountant, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(f) The Obligated Group Representative 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 an Accountant selected by the Obligated Group Representative 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 combined statements of operations, changes in net assets (deficit) and cash flows for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year.

(g) Delivery of such reports, information and documents described in this Section 4.14 to the Master Trustee is for informational purposes only, and the Master Trustee's receipt thereof shall not constitute notice to it of any information contained therein or determinable from information contained therein, including compliance by the Obligated Group or the Members with any of its or their covenants hereunder, as to which the Master Trustee is entitled to rely exclusively on Officer's Certificates.

Section 4.15 Permitted Additional Indebtedness

So long as any Master Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Master Obligations) other than:

(a) Long-Term Indebtedness. If no Event of Default shall have occurred and then be continuing, the Obligated Group may incur or assume additional Long-Term Indebtedness, including without limitation, Long-Term Indebtedness to refund outstanding Long-Term Indebtedness, for such lawful purposes of the Obligated Group as shall be specified in reasonable detail in a certified resolution of the Obligated Group Representative; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group shall deliver to the Master Trustee:

(i) *Historical Pro Forma Test*. Except as provided in paragraphs (ii) through (vii) below, an Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred and excluding any Long-Term Indebtedness to be refunded) was not less than the Debt Service Coverage Ratio Requirement (calculated on the basis of Maximum Annual Debt Service for all Long-Term Indebtedness of the Obligated Group) and the Obligated Group was in compliance with the Days' Cash on Hand covenant.

(ii) *Historical Test and Forecast*. In lieu of the requirements of paragraph (i) above,

(A) An Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than the Debt Service Coverage Ratio Requirement and the Obligated Group was in compliance with the Days' Cash on Hand covenant as of the most recent Testing Date, and

(B) A Feasibility Report stating that (a) the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred and excluding any Long-Term Indebtedness to be refunded) is expected to be not less than 1.30 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and (b) the Obligated Group is forecasted to be compliance with the Days' Cash on Hand covenant.

(iii) *Pro Forma Test*. In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.30 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earliest of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85%, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant as of the first Testing Date in the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed in service.

(iv) *Limit Based on Revenues*. In lieu of the requirements of paragraphs (i) through (iii) above, an Officer's Certificate showing that the proposed Long-Term Indebtedness, together with all Long-Term Indebtedness incurred pursuant to this paragraph (iv) which is then outstanding and which is not covered by an Officer's Certificate or Feasibility Report delivered pursuant to paragraphs (i) through (iii) above, does not exceed 10% of Revenues of the Obligated Group for the immediately preceding Fiscal Year.

(v) *Completion Long-Term Indebtedness*. In the case of Completion Long-Term Indebtedness, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance such Capital Addition or (B) a Feasibility Report stating that the forecasted Debt Service Coverage Ratio of the Obligated Group (taking into account the proposed additional Long-Term Indebtedness and excluding any Long-Term Indebtedness expected to be refunded as part of such issuance of additional Long-Term Indebtedness) for each of the two Fiscal Years immediately following the completion of such Capital Addition will be not less than what such Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness. In addition, the Obligated Group Representative shall provide a certificate of an independent architect or a Consultant with skill and experience in construction or renovation matters that the Completion Long-Term Indebtedness incurred to finance the completion of the Facilities will be sufficient to complete the Facilities.

(vi) *Refunding Indebtedness*. As an alternative to satisfying the requirements of paragraphs (i) through (v) above, in the case of Long-Term Indebtedness incurred to refinance outstanding Long-Term Indebtedness, an Officer's Certificate showing that the Maximum Annual

Debt Service on the proposed Long-Term Indebtedness does not exceed 110% of the Maximum Annual Debt Service on the Long-Term Indebtedness to be refinanced.

(vii) Subordinated Indebtedness. Future Subordinated Indebtedness may be incurred without limit provided that payment of interest or principal on such indebtedness is subject to the provisions of Section 3.05 hereof.

In the case of any Additional Indebtedness being incurred to finance Capital Additions or new Facilities, there shall be provided to the Master Trustee an Officer's Certificate stating that the amount of Additional Indebtedness to be incurred will be sufficient to complete the Capital Additions or Facilities to be financed.

(b) Short-Term Indebtedness. The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short-Term Indebtedness in any amount up to five percent (5%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short-Term Indebtedness must, for a period of at least 15 consecutive days during each Fiscal Year, be less than 2.5% of Revenues for the preceding Fiscal Year. Short-Term Indebtedness in excess of such 2.5% limit shall be permitted to remain Outstanding only if permitted to exist under this Master Trust Indenture as Long-Term Indebtedness.

(c) [Reserved].

(d) Credit Facility Debt. Obligations may be incurred in connection with a Credit Facility issued with respect to indebtedness incurred in accordance with any other provision set forth in this section, provided that any indebtedness in favor of the Credit Facility provider shall not exceed 110% of the related indebtedness.

(e) Indebtedness Among Members of the Obligated Group. Indebtedness among Members of the Obligated Group is permitted without limit.

(f) Nonrecourse Indebtedness. Nonrecourse debt may be incurred, without limit.

(g) Guarantees. The Obligated Group may guarantee Indebtedness of another party with any such Guarantee deemed Long-Term Debt in accordance with Section 4.17 hereof.

(h) Security for Permitted Debt.

(i) Additional indebtedness, including Master Obligations, may be secured on a parity first lien basis with the Outstanding Master Obligations by the issuance of a Master Obligation to the holder of such indebtedness.

(ii) Additional indebtedness may also be secured by (i) a lien on Property not constituting Facilities subject to the Security Deed, (ii) a purchase money security interest (first lien) on new or replacement equipment and fixtures (incurred in the ordinary course of business), or (iii) Permitted Liens.

(iii) Short-term indebtedness and long-term indebtedness to provide working capital indebtedness may be financed with a Master Obligation.

(i) Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than issuers of Related Bonds, 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 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.

Section 4.16 Debt Service Coverage Ratio Covenant

(a) 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, subject to resident notice requirements, in such manner as may be necessary or proper to comply with the provisions of this Section.

The Members covenant and agree that the Obligated Group Representative will calculate the Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters (or for the Fiscal Year, as applicable) ending on the last day of such fiscal quarter, commencing with the fiscal quarter ending March 31, 2023. The Obligated Group Representative will deliver a copy of such calculation to the Persons to whom and within the time frame such report is required to be delivered under Section 4.14(b)(iii) hereof. The calculations of the Debt Service Coverage Ratio for the first three fiscal quarters are for informational purposes only.

(b) If the Debt Service Coverage Ratio as of the end of any Fiscal Year commencing with the Fiscal Year ending December 31, 2023 is less than the Debt Service Coverage Ratio Requirement (but not less than 1.00), the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) hereof) of the Officer's Certificate disclosing such deficiency, engage 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 such Debt Service Coverage Ratio to at least the Debt Service Coverage Ratio Requirement in the future. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within sixty (60) days after the date such Consultant is engaged. Each Obligated Group Member shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member. This Section shall not be construed to prohibit any Member from serving indigent residents 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 residents 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.

(c) If the Obligated Group fails to achieve a Debt Service Coverage Ratio equal to the Debt Service Coverage Requirement, but achieves a Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year commencing with the Fiscal Year ending December 31, 2023, such failure shall not constitute a Default or an Event of Default under this Master Trust Indenture so long as the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and complies with the recommendations contained in such report to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of each Member. The foregoing provisions

notwithstanding, as set forth in Section 7.01(g), it shall constitute an Event of Default hereunder if the Debt Service Coverage Ratio for any Fiscal Year is less than 1.00.

(d) Notwithstanding any other provisions of this Master Trust Indenture, in the event that any Obligated Group Member incurs any Additional Indebtedness for any Capital Addition, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the Capital Addition financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with this Section 4.16 until the first full Fiscal Year following the later of (i) the estimated completion of the Capital Addition 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 Capital Addition set forth in the Consultant's report described in paragraph (A) below, or (ii) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, assisted living, personal care or skilled nursing facilities, the first full Fiscal Year in which Stable Occupancy is achieved, 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 fifth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fifth 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 (which shall be a part of any report provided to incur indebtedness under Section 4.15 hereof) to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (1) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness, or (2) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, personal care or skilled nursing facilities, the first full Fiscal Year following the year in which Stable Occupancy is achieved, which Stable Occupancy shall be projected to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, will be not less than the Debt Service Coverage Ratio Requirement after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided further, 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; provided further, however, that in the event Section 4.15 does not require a Consultant 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 paragraph (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 Debt Service Coverage Ratio no longer applies, calculating the Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year and certifying that such Debt Service Coverage Ratio is not less than 1.00, such Debt Service Coverage Ratio to be computed without taking into account (1) 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 (2) the

Revenues to be derived from the Capital Addition to be financed from the proceeds of such Additional Indebtedness;

provided, however, with respect to the Series 2021 Obligations, the Debt Service Requirements with respect thereto will not be taken into account in making the foregoing calculation until the first full Fiscal Year following the earlier to occur of (i) the first full Fiscal Year in which Stable Occupancy (as defined in Supplement Number 5) is achieved or (ii) the end of the fifth full Fiscal Year after incurrence of the Series 2021 Obligations.

Section 4.17 Calculation of Debt Service and Debt Service Coverage

Certain General Provisions. The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the Debt Service Requirements with respect to such Indebtedness required under certain provisions of this Master Trust Indenture shall be made in a manner consistent with that adopted in Section 4.15 hereof and in this Section 4.17. In the case of Balloon or Put Indebtedness issued pursuant to subsection (a) of Section 4.15 hereof, unless such Indebtedness is reclassified pursuant to this Section 4.17 as having been issued pursuant to another subsection of Section 4.15, the amortization schedule of such Indebtedness and the Debt Service Requirements with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the holder to require that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date (other than at the option of such holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

Master Obligations issued to secure Indebtedness permitted to be incurred under Section 4.15 shall not be treated separately as Additional Indebtedness from the Indebtedness secured thereby in a manner which would require such Indebtedness to be included more than one time in the calculations performed under this Master Trust Indenture.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.15 reclassified as having been incurred under another provision of Section 4.15 by certifying 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.

Indebtedness Bearing Interest at a Variable Rate. In determining the amount of Debt Service Requirements on Indebtedness in the course of the various calculations required under certain provisions of this Master Trust 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 12 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 12 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 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.

Commitment Indebtedness. Except as set forth below, 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.

Balloon Indebtedness. Balloon Indebtedness incurred as provided under subsection (a) of Section 4.15, unless reclassified pursuant to this Section 4.17, shall be deemed to be payable in accordance with the assumption that (i) 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 (ii) 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 (ii) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Balloon Indebtedness Debt Service Requirement being calculated is calculated, varies no more 10% per year. Put Indebtedness incurred as provided under subsection (a) of Section 4.15, unless reclassified pursuant to this Section 4.17, if issued, shall be deemed to be payable in accordance with the terms of such Indebtedness.

Guaranties. Subject to the provisions below, a Guaranty of an obligation of another Person (for purposes of this definition, the “Obligated Person”) qualifying as Long-Term Indebtedness hereunder shall be deemed Long-Term Indebtedness of the Obligated Group in accordance with the following schedule:

Long-Term Debt Service Coverage Ratio of the Obligated Person (calculated as set forth herein for the most recent fiscal year of the Obligated Person for which audited financial statements are available)	Percentage of the principal amount of the guaranteed indebtedness deemed to be Long-Term Indebtedness of the Obligated Group
greater than 2.0	0%
to and including 2.0	20
to and including 1.49	50
to and including 1.24	75
less than 1.10 (or no available financial statements)	100

Notwithstanding the foregoing, if any Member of the Obligated Group is required to make a debt service payment pursuant to any Guaranty, one hundred percent (100%) of the principal amount of the

guaranteed indebtedness shall be deemed Long-Term Indebtedness of the Obligated Group for a period of twenty-four (24) months following the most recent payment on the Guaranty.

Finance Leases. For purposes of the various calculations required under this Master Trust Indenture for Finance Leases, the rentals under a Finance Lease at the time of such calculation shall be deemed to be the principal payable thereon.

Subsidy Bonds. In the case of Indebtedness related to any Subsidy Bonds, Debt Service Requirements shall be computed net of Federal Subsidy Payments scheduled to be received by the issuer of such Subsidy Bonds or the Obligated Group Member in connection with such Subsidy Bonds during the applicable time period.

Hedge Agreements. Anything herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which a Hedge Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Hedge 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 Hedge Agreement; provided that the long term credit rating of the provider of such Hedge 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. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account a Hedge Agreement, any payments made by a Member on such Hedge Agreement shall be excluded from Expenses, and any payments received by a Member on such Hedge Agreement shall be excluded from Revenues, in each case, for all purposes of this Master Trust Indenture.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.15 reclassified as having been incurred under another provision of Section 4.15 by certifying 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.

For the purpose of determining the Debt Service Requirements on any Long-Term Indebtedness incurred to finance a Capital Addition, the admission to which is subject to Residence and Service Agreements, there shall be applied as a credit against the principal amount of such Long-Term Indebtedness the amount of Entrance Fees or other moneys which are forecasted to be used (other than from the proceeds of Long-Term Indebtedness) to pay the principal of such Long-Term Indebtedness during the forecast period covered by a Feasibility Report, provided that no such forecast period shall extend more than five full Fiscal Years beyond the date of completion of the Capital Additions being financed with such Long-Term Indebtedness or, in the case of Long-Term Indebtedness issued or incurred for refinancing purposes, five full Fiscal Years beyond the date of issuance thereof.

Section 4.18 Liquidity Covenant

The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30, and December 31). The Obligated Group covenants that as of the last day of its Fiscal Year (currently December 31) and as of the last day of the second quarter of each Fiscal Year (currently June 30) (each such date being a “Testing Date”), commencing with June 30, 2023, the Obligated Group shall have no less than 150 Days Cash on Hand (the “Liquidity Requirement”). The Obligated Group shall deliver an Officer’s Certificate setting

forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to Section 4.14(b)(iii) hereof.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) hereof) of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to restore the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not restored 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 required to be delivered by the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.14(b)(iii) hereof) of the Officer's Certificate disclosing such deficiency, engage 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 Days Cash on Hand to the Liquidity Requirement for future Testing Dates. 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 engaged. Each Obligated Group Member shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member. The Obligated Group shall not be required to cause the Consultant's report referred to in this paragraph to be prepared if a Consultant's report referred to above was prepared not more than two Testing Dates prior to the current Testing Date or a Consultant's report as to non-compliance with the Debt Service Coverage Ratio is currently being undertaken or has been made within the preceding 12 months and upon the Consultant's review of its analysis for the current Consultant's report or the preceding report, the Consultant determines that the recommendations set forth in such report would not be supplemented or modified due to the failure of the Obligated Group to meet the Liquidity Requirement, and the Obligated Group Representative provides to the Master Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying such Consultant's report have not changed in any material way which would affect the ability of the Obligated Group to adopt the recommendations set forth in such report.

Notwithstanding any other provision of this Master Trust Indenture, failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date shall not constitute a Default or an Event of Default under this Master Trust Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of each Member. The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations.

Section 4.19 Disposition of Property

Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal Property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

- (a) Transfers among Members of the Obligated Group are permitted without limit.

(b) Dispositions of Property which has been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other Property substantially equivalent in value.

(c) Other than transfers pursuant to (a) or (b) above, the Property sold, leased, donated, transferred or otherwise disposed of does not, for any Fiscal Year, exceed 5% of the total Book Value of all Property of the Obligated Group as of the most recent Fiscal Year End; provided, however, that Days Cash on Hand shall not be less than 120 after giving effect to such sale, lease, donation, transfer or other disposition of assets.

(d) Transfers aggregating in any Fiscal Year to not more than 5% of net Property, plant and equipment, as reported in the prior Fiscal Year's audit, without receiving cash or other Property substantially equivalent in value.

(e) Cash and investments may not be transferred outside the Obligated Group, except that current assets may be: (i) transferred and used in payment for Property or services of substantially equivalent value; (ii) used for Obligated Group capital expenditures; or (iii) be invested as an investment of the Obligated Group funds on arms' length terms.

For avoidance of doubt, it is understood that this Section 4.19 does not prohibit any transfer of cash by a Member in payment of any of its obligations, indebtedness and liabilities the incurrence of which obligation, indebtedness or liability did not or would not, either immediately or with the giving of notice, the passage of time or both, result in the occurrence of an Event of Default.

For purposes of this Section 4.19, payments by the Obligated Group of any development, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination will not be treated as a disposition of Property.

In connection with any sale, lease or other disposition of Property, to the extent the Obligated Group Member receives Property in return for such sale, lease or disposition, the Property which is sold, leased or disposed of shall be treated, for purposes of the provisions of this Section 4.19, as having been transferred in satisfaction of the provisions of subsection (a) above to the extent of the fair market value of the Property received by the Obligated Group Member. The Member shall be required, however, to satisfy the conditions contained in one of the other provisions of this Section 4.19 with respect to the remaining value of such Property in excess of the fair market value of the Property received by the Member in return therefor prior to any such sale, lease or other disposition.

Each Member further agrees that it will not sell, lease, donate or otherwise dispose of Property (A) which could reasonably be expected at the time of such sale, lease, donation or disposition to result in a reduction of the Debt Service Coverage Ratio for the Obligated Group such that the Master Trustee would be obligated to require the Obligated Group to retain a Consultant pursuant to Section 4.16 or (B) if a Consultant has been retained in the circumstances described in Section 4.16, such action, in the opinion of such Consultant, will have an adverse effect on the Income Available for Debt Service of the Obligated Group. The rendering of any service, the making of any loan or gift, the extension of any credit or any other transaction with any Affiliate shall be permitted if there is compliance with any of subsections (a) through (e) above or if such transaction is pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's length transaction with a person not an Affiliate.

Upon Request of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent for the disposition of such Property set

forth in this Master Trust Indenture have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such Property only and the lien of this Master Trust Indenture shall be released without recourse, representation or warranty by the Master Trustee as to such Property in due form at the expense of the Obligated Group Members.

Section 4.20 Liens on Property

Each Member covenants that it will 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.

Section 4.21 Management

Until Stable Occupancy (as defined in Supplement Number 5) of the Phase II Expansion Project (as defined in Supplement Number 5) occurs, the Obligated Group is required to engage a Manager and a Marketing Consultant (which may be the same firm) at all times so long as any Master Obligation remains outstanding. The Manager and the Marketing Consultant may not be related to the Members of the Obligated Group or an Affiliate of the Members of the Obligated Group. Except as provided below, the Members of the Obligated Group shall be required to retain a new Manager or Marketing Consultant or both, if:

- (i) the Obligated Group fails to make any payment on the Master Obligations when due; or
- (ii) the Obligated Group fails to maintain a Debt Service Coverage Ratio of at least 1.00 as shown on any two (2) successive quarterly unaudited financial statements; or
- (iii) the Obligated Group fails to meet the required Debt Service Coverage Ratio by the end of the second fiscal quarter following the date the Consultant's report is required as described above under Section 4.16(b) hereof; or
- (iv) the Obligated Group fails to meet the Liquidity Requirement by the end of the second fiscal quarter following the date a report and plan are required as described above under Section 4.21.

Whenever the Obligated Group is required to retain a new Manager or Marketing Consultant, as described above, the Obligated Group Representative shall immediately retain a Consultant who shall, within 30 days of the event requiring appointment of a new Manager and/or Marketing Consultant, submit to the Master Trustee and Majority Holders, a list of two or more Persons experienced in the management, or marketing, as the case may be, of assisted living facilities of a type and size similar to the Facilities. If the Obligated Group is required to retain a new Manager or Marketing Consultant under the circumstances described above, the Obligated Group shall retain as Manager and/or Marketing Consultant a Person from the list submitted by the Consultant and approved in writing by Majority Holders. In the event that a new Manager or Marketing Consultant is appointed by the Obligated Group Representative at any time when the Debt Service Coverage Ratio or the Occupancy Requirements is less than the level required pursuant to this Master Trust Indenture, the provisions of this Master Trust Indenture shall not be applied to require the further appointment of another Manager or Marketing Consultant until the new Manager or Marketing Consultant has been employed for at least twelve months.

Notwithstanding the foregoing, the Obligated Group shall not be required to retain a new Manager or Marketing Consultant if the Master Trustee receives, within 30 days of the event requiring appointment of a new Manager or Marketing Consultant:

- (i) Written consent of Majority Holders to the continued retention of the existing Manager;
- (ii) a written report (prepared by a Consultant, but not by the Manager or Marketing Consultant) containing sufficient detail to support the conclusions made therein and concluding (a) that the failure of the Obligated Group to comply with the Debt Service Coverage Ratio Covenant, and/or the Liquidity Requirement is primarily due to factors outside the control of the present Manager or Marketing Consultant, or (b) that retaining a new Manager or Marketing Consultant is not likely to materially improve the Obligated Group's ability to comply with such requirements; and
- (iii) a certificated copy of the Governing Body of each Member of the Obligated Group stating that the performance by the Manager or Marketing Consultant of its duties is satisfactory and setting forth the reasons supporting retention of the present Manager or Marketing Consultant.

While any Master Obligations with respect to tax-exempt Related Bonds are Outstanding, the Obligated Group Members shall not enter into any management, service, or incentive payment contract between an Obligated Group Member and a service provider under which the service provider provides services involving all, a portion of, or any function of, the Facilities unless the contract has been reviewed and approved in advance by Bond Counsel. For purposes of this Section 4.21, contracts for services that are solely incidental to the primary function or functions of the Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services) and contracts to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties, are not included.

Section 4.22 Licenses and Qualifications; Third Party Payments

Each Obligated Group Member will do all things necessary to obtain, maintain and renew, from time to time, as necessary, all permits, licenses, accreditation and other governmental approvals necessary for the operation of the Facilities. The Obligated Group Representative hereby agrees to give prompt notice to the Master Trustee of the loss or suspension or receipt of written notice of any threatened loss or suspension of any permit, license or other governmental approval material to the operation of the Facilities, which notice must set forth the reasons for such loss.

Section 4.23 Environmental Condition of Facilities and Indemnification

The Obligated Group Members represent and warrant to the Master Trustee that: (a) while the Master Trustee has any interest in or lien on the Facilities, the Facilities are, and at all times hereinafter will continue to be, in full compliance with all Environmental Laws, (b) (i) as of the date of this Master Trust Indenture there are no Hazardous Materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Facilities or used in connection therewith, or (ii) the Obligated Group Members have fully disclosed to the Master Trustee in writing the existence, extent and nature of any such Hazardous Materials, substances, wastes or other environmentally regulated substances, which the Obligated Group Members are legally authorized and empowered to maintain on, in or under the Facilities or use in connection therewith, and the Obligated Group Members have obtained and will maintain all licenses, permits and approvals required with respect thereto and are in full compliance with all of the terms, conditions and requirements of such

licenses, permits and approvals, and (c) the Obligated Group Members are not in violation of any Environmental Laws. Each of the Obligated Group Members further represents and warrants that it will notify promptly the Master Trustee in writing of any change in the nature or extent of any Hazardous Materials, substances or wastes maintained on, in or under the Facilities or used in connection therewith and will transmit to the Master Trustee copies of any citations, orders, notices or other material governmental or other communications received with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Facilities.

The Premises have not (including, to the best of the Obligated Group Members' knowledge, for the period prior to the Obligated Group Members' acquisition of the Premises) previously been used as a landfill or as a dump for garbage or refuse.

Promptly upon the written request of the Master Trustee or the Holders of a majority in aggregate principal amount of Master Obligations then Outstanding, the Obligated Group Members will provide the Master Trustee and the Holders, at the Obligated Group Members' expense, with an environmental site assessment and environmental audit report, or an update of such assessment or report; provided, however, that any such report may not be required more frequently than once every two years.

The Obligated Group Members will jointly and severally indemnify and hold the Master Trustee and its officers, directors, employees and agents harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses of every kind and nature) suffered by or asserted against either party as a direct or indirect result of any representation or warranty made by the Obligated Group Members in this Section being false or untrue in any respect or any violation of any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any Hazardous Materials, substances, wastes or other environmentally regulated substances. Without limiting the generality of the foregoing, the foregoing covenant of indemnification will inure to the benefit of the Master Trustee in the event the Master Trustee becomes the successor-in-interest to the Obligated Group Members with respect to the Facilities and will inure to the benefit of any purchaser of the Facilities at foreclosure sale or any subsequent purchaser of the Facilities from the Master Trustee.

The obligations of the Obligated Group Members to the Master Trustee under this Section 4.23 will not be limited to any extent by the term of the Master Obligations and, as to any act or occurrence prior to payment in full and satisfaction of the Master Obligations which gives rise to liability hereunder, will continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of the Master Obligations and this Master Trust Indenture or foreclosure or sale under the Security Deed or delivery of a deed-in-lieu of foreclosure.

Section 4.24 Approval of Consultants

If at any time the Obligated Group Representative is required to engage a Consultant under this Master Trust Indenture, such Consultant shall be engaged in the manner set forth below:

(a) Upon engaging a Consultant as required under the provisions of this Master Trust Indenture, the Obligated Group Representative will provide written notice to the Master Trustee of such engagement. The Master Trustee shall, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, send a copy of such notice to the Holders of all Master Obligations Outstanding under this Master Trust Indenture. Such notice prepared by the Obligated Group Representative shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged, including a description of the covenant(s) of this Master Trust Indenture that require the Consultant to be engaged, and that the engagement of the Consultant is authorized by this Master

Trust Indenture, and (iii) state that the Holder of the Master Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Holder submits an objection to the engaged Consultant in writing to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group Representative of the number of any objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Master Obligations have been deemed to have consented to the engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Master Obligations Outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this Section.

(b) When the Master Trustee notifies the Holders of Master Obligations of such engagement, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subsection (a) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of a Master Obligation securing such Related Bonds, consent or object to the engagement of the Consultant 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 engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this Section.

(c) The 15-day notice period described 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 a Master Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section.

(d) Whenever a Consultant is required to be engaged under this Master Indenture, the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and the beneficial owners of the Related Bonds will be given independent access to the Consultant. Within twenty one (21) days after a Consultant is required to be retained, the Obligated Group will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Obligated Group, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Obligated Group. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Master Trustee and to each Required Information Recipient as soon as practicable but in no event later than forty five (45) days after the date on which a Consultant is required to be retained. Within seven (7) months after the submission of its initial report, the Consultant shall submit to the Master Trustee and each such Required Information Recipient a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group shall follow the recommendations of the Consultant to the extent permitted by law and consistent with the fiduciary duties of the Governing Bodies of the Obligated Group Members.

Section 4.25 Actuarial Study

Commencing with the Fiscal Year ending December 31, 2020, and at least once every three Fiscal Years thereafter, the Obligated Group Representative, at the Obligated Group's expense, shall provide a management summary of the actuarial study described below to each Required Information Recipient. 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 Residence and Services 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 the Obligated Group to satisfy such obligations. Each Member shall follow each recommendation of the Consultant applicable to it to the extent permitted by law and consistent with the fiduciary duties of the Governing Body of such Member.

Section 4.26 Needs Assessment Analysis.

Commencing on the fifth (5th) year anniversary of the date of the Series 2022A Bonds and every five (5) years thereafter, the Obligated Group Representative shall order or cause to be conducted and delivered a Needs Assessment Analysis from a consulting engineer that, in the objective and reasonable opinion of the Obligated Group Representative, is experienced in conducting needs assessment analyses for senior living facilities such as the Facilities. The Needs Assessment Analysis shall include a forecast of estimated life cycle maintenance costs with respect to the Project for the following five (5) years and the amounts necessary to maintain the Project in accordance with Section 4.06 hereof. The Needs Assessment Analysis shall be filed with the Master Trustee.

Section 4.27 Incorporation of Certain Covenants.

The Obligated Group agrees that if an Additional Master Obligation is issued under this Master Indenture subsequent to the issuance of the Series 2023A Obligation, any financial covenants set forth in any Related Loan Agreement, including, without limitation, any credit agreement to which the Obligor may be a party, shall be incorporated by reference (collectively referred to herein as the "Incorporated Provisions") in this Master Indenture for the benefit of the holders of the Series 2021A Obligation, but only for so long as the such Additional Master Obligation is Outstanding. Any amendments or waivers of such Incorporated Provisions shall require consent or waiver of a majority of the Holders of the Series 2021A Obligation. This paragraph shall not prohibit any issuance of Additional Master Obligations under this Master Indenture if no Event of Default has occurred and is continuing and if conditions precedent or other conditions applicable to the issuance of such additional Master Obligations have been satisfied.

[End of Article IV]

ARTICLE V MERGER, CONSOLIDATION, CONVEYANCE AND TRANSFER

Section 5.01 Merger, Consolidation, Sale or Conveyance

- (a) The Obligor shall remain a Member for as long as any Related Bonds remain outstanding.
- (b) No Member may sell substantially all of its assets, or merge or consolidate with another corporation (other than with another Member), or no new Member shall be added, unless:
 - (i) The transferee or surviving corporation in the case of a merger, consolidation or transfer, or the new Member, is an organization described under Section 501(c)(3) of the Code, or the transferee or surviving corporation or the new Member shall have delivered to the Master Trustee an Opinion of Bond Counsel that the addition of such non-501(c)(3) Member will not adversely affect the tax-exempt status of any Related Bonds or the exemption from federal securities laws of any of the Master Obligations; and;
 - (ii) The transferee or surviving corporation or the new Member shall have delivered to the Master Trustee (A) either (1) an Officer's Certificate certifying and concluding that if such merger, consolidation, sale or conveyance had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Debt Service Coverage Ratio for such Fiscal Year and at least 1.20, and Days Cash on Hand would have been not less than 80% of the actual Days Cash on Hand and at least 120 days; or (2) a Consultant's report showing that for the next two Fiscal Years the Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period; and (B) written notice from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a below investment-grade rating on such series of Related Bonds, provided, however, that a majority of beneficial owners of such Related Bonds may consent to waive such requirement.

- (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, pursuant to a Supplement. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in Section 6.01 to becoming, an Obligated Group Member 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 Master Obligations hereunder and the predecessor corporation shall be released, without recourse, representation or warranty, from its obligations hereunder and under any Outstanding Master 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 Master Obligations so issued by such successor corporation hereunder shall in all respects have the same legal rank and benefit under this Master Trust Indenture as Master Obligations theretofore or thereafter issued in accordance with the terms of this Master Trust Indenture as though all of such Master 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 Master Obligations thereafter to be issued as may be appropriate.

(e) The Obligated Group Representative shall deliver to the Master Trustee, and the Master Trustee may conclusively rely upon, an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Master Trust Indenture summarized under this Section 5.01 and that it is proper for the Master Trustee under the provisions of this Master Trust Indenture to join in the execution of any Supplement required to be executed and delivered by the Master Trustee.

(f) Notwithstanding anything to the contrary in the foregoing, any Member may establish separate divisions and may cause such divisions to be separately incorporated or otherwise organized or reorganized, but all such divisions, whether separately incorporated or not, shall remain bound by this Master Trust Indenture and all Master Obligations issued hereunder, and shall be jointly and severally liable with the other Obligated Group Members with respect thereto; provided, however, prior to effecting any such reorganization, such Members shall deliver to the Master Trustee (i) an Opinion of Counsel to the effect that after such reorganization all separately incorporated divisions will be jointly and severally liable with the other Members under this Master Trust Indenture and all Master Obligations issued hereunder, and (ii) an Opinion of Bond Counsel that such reorganization will not affect the validity of any Related Bonds or other obligations secured by this Master Trust Indenture or, with respect to any tax-exempt Related Bonds or other tax-exempt obligations secured by this Master Trust Indenture, the exclusion from gross income under Section 103 of the Code of interest paid on such tax-exempt Related Bonds or obligations. Such reorganizing Member shall preserve all of its rights and licenses to the extent necessary or desirable in the operation of its business affairs and to the extent permitted by applicable law, provided that such Members shall not be obligated to retain or preserve any rights or licenses no longer used or, in the judgment of the Governing Body no longer useful in the conduct of its business.

[End of Article V]

ARTICLE VI MEMBERSHIP IN THE OBLIGATED GROUP

Section 6.01 Admission of Obligated Group Members

Any other Person may become an Obligated Group Member if:

(a) Such Person is a business entity;

(b) Such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (i) to become an Obligated Group Member and thereby to become subject to compliance with all provisions of this Master Trust Indenture and (ii) unconditionally and irrevocably (subject to the right of such Person to cease its status as an Obligated Group Member pursuant to the terms and conditions of Section 6.03 hereof) to jointly and severally make payments upon each Master Obligation and any amounts due the Master Trustee hereunder;

(c) The Obligated Group Representative and each Member shall have approved the admission of such Person to the Obligated Group; and

(d) The Obligated Group Representative shall deliver to the Master Trustee (i) either (A) an Officer's Certificate certifying that if such addition to the Obligated Group had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Debt Service Coverage Ratio for such Fiscal Year and at least 1.20, and Days Cash on Hand would have been not less than 80% of the actual Days Cash on Hand and at least 120 days; or (B) a Consultant's report showing that for the next two Fiscal Years the Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period; (ii) an Opinion of Counsel to the effect that (x) the Supplement described in Section 6.01(b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity, and all action has been taken in order to cause the Lien of the Master Trustee in the Trust Estate to be perfected or recorded in accordance with this Master Trust Indenture and applicable law, 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; (iii) written notice from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a below investment-grade rating on such series of Related Bonds, provided, however, that a majority of bondholders may consent to waive such requirement; (iv) 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 consummation of such transaction would not, in and of itself, adversely affect the validity of any Related Bonds or any exemption from federal or state income taxation of interest payable on such Related Bonds otherwise entitled to such exemption; and (v) Exhibit A to the Security Deed shall be 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, and the Person becoming a Member shall execute and deliver to the Master Trustee a new mortgage or security deed or a Supplement so an existing mortgage or security deed encumbering such real Property; provided that in making the calculation called for by subsection (d)(i) above, (x) there shall be excluded from Revenues any Revenues generated by Property of such Person

transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs, and (y) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above described conditions to becoming, an Obligated Group Member prior to any such succession, assignment or other change in such Member's corporate status.

Section 6.02 Obligated Group Members

Upon any Person's becoming an Obligated Group Member as provided in Section 6.01:

(a) The Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different times;

(b) Any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated to the rights of the Master Trustee and the Holders of Master Obligations; and

(c) Each Obligated Group Member shall designate the Obligated Group Representative as its attorney in fact with full power of substitution to perform, satisfy and discharge every obligation, covenant, duty or liability to be performed on the part of the Obligated Group Member hereunder.

Section 6.03 Withdrawal of Obligated Group Members

Except in connection with a merger or consolidation permitted under the provisions of Section 5.01 hereof, the Obligor may not withdraw from the Obligated Group for as long as any Related Bonds remain outstanding. Any other Obligated Group Member may withdraw from the Obligated Group and be discharged of all indebtedness under this Master Trust Indenture, if the Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such withdrawal and related release comply with the provisions of this Master Trust Indenture, together with:

(a) (i) either (A) an Officer's Certificate certifying that if such withdrawal had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Debt Service Coverage Ratio for such Fiscal Year and at least 1.20, and Days Cash on Hand would have been at least 80% of the actual Days Cash on Hand at the end of such Fiscal Year and at least 120 days; or (B) a Consultant's report showing that for the next two Fiscal Years, the Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period; provided however, that a Member may withdraw from the Obligated Group without delivering the documents referred to in subsection (A) or (B) above, if the Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate certifying that either (x) the Debt Service Coverage Ratio for such Obligated Group Member (calculated by eliminating all financial transactions with other Members of the Obligated Group) would have been less than 1.00, or (y) if the proposed withdrawal had been made on the first day of the last Fiscal Year for which audited financial statements are available, (1) the Pro Forma Debt Service Coverage

Ratio for the Obligated Group, after giving effect to any indebtedness which is proposed to be retired, repaid or otherwise discharged following such withdrawal, would have been at least equal to the actual Debt Service Coverage Ratio for such Fiscal Year, and (2) the Obligated Group's Days Cash on Hand, after giving effect to the proposed withdrawal, would have been equal to or greater than the actual Days Cash on Hand at the end of such Fiscal Year; and (ii) written notice from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a below investment-grade rating on such series of Related Bonds, provided, however, that a majority of bondholders may consent to waive such requirement;

(b) Prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Counsel to the effect that the cessation by such Member of its status as a Member is permitted under this Master Trust Indenture and will not, in and of itself, adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status;

(c) Any Liens in favor of the withdrawing Member on the Property of a remaining Member is released and satisfied unless such Lien constitutes a Permitted Encumbrance after the withdrawing Member is no longer a Member; and

(d) Prior to cessation of such status, the Obligated Group Representative and each Member consents in writing to the withdrawal by such Member.

Section 6.04 Successor Obligated Group Representative

The Obligor shall serve as the Obligated Group Representative until such time as the Obligor delivers to the Master Trustee its resignation as the Obligated Group Representative. The Obligor covenants to fulfill all of the duties of the Obligated Group Representative under this Master Trust Indenture. The Obligor agrees that it shall not withdraw from the Obligated Group unless permitted to do so pursuant to Section 6.03 or resign as Obligated Group Representative until another entity has been appointed as Obligated Group Representative and such successor Obligated Group Representative has accepted its duties in writing. Each Obligated Group Member by becoming an Obligated Group Member acknowledges that the Obligated Group Representative has certain powers and duties under this Master Trust Indenture and authorizes the Obligated Group Representative to exercise such powers and carry out such duties.

[End of Article VI]

ARTICLE VII
REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF MASTER OBLIGATIONS
IN EVENT OF DEFAULT

Section 7.01 Events of Default

Event of Default, as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) Default in the payment of the principal of (or premium, if any) or interest on any Master Obligation when it becomes due and payable at its Maturity and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Master Obligation; or

(b) Any Obligated Group Member shall fail duly to observe or perform any other covenant or agreement (other than a covenant or agreement whose performance or observance is elsewhere in this Section 7.01 specifically dealt with) on the part of such Person contained in this Master Trust Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Master Obligations then Outstanding; provided that if any such default can be cured by such Obligated Group Member but cannot be cured within the 45 day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by such Obligated Group Member within such 45 day period and diligently pursued until the default is corrected; or

(c) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging any Obligated Group Member a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Group Member under the federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of any Obligated Group Member or of its Property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(d) Any Obligated Group Member shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the institution of a bankruptcy proceeding against it, shall file a petition or answer or consent seeking reorganization or arrangement under the federal Bankruptcy Code or any other similar applicable federal or state law, shall consent to the filing of any such petition, shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Trust Estate, shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Governing Body of any Obligated Group Member in furtherance of any of the aforesaid purposes; or

(e) Any Obligated Group Member shall fail to pay or make provision for payment of any recourse Indebtedness (other than Subordinated Indebtedness owed to an Affiliate of the Obligated Group Member) having a principal balance of not less than \$250,000 and the continuance of such failure beyond the applicable grace period, if any; or

(f) The Master Trustee has received written notice that an event of default, as therein defined, under any instrument under which Master Obligations may be incurred or secured, including, without limitation, Related Bond Indentures, Related Loan Agreements, any Credit Facility, any deed of trust or any other document delivered in connection with the issuance of Related Bonds, has occurred and is continuing beyond the applicable period of grace, if any; or

(g) The Debt Service Coverage Ratio for any Fiscal Year is less than 1.00.

Section 7.02 Acceleration of Maturity; Rescission and Annulment

If an Event of Default occurs and is continuing, then and in every such case the Master Trustee or the Holders of not less than 25% in principal amount of the Outstanding Master Obligations other than Master Obligations constituting Subordinated Indebtedness (or, in the case of any Event of Default described in subparagraph (f) of Section 7.01 above resulting in the loss of any exclusion from gross income of interest on, or the invalidity of, any Indebtedness secured by a pledge of Master Obligations, the Holders of not less than 25% in principal amount of the Outstanding Master Obligations of the affected series) may declare the principal of all the Master Obligations to be due and payable immediately, by a notice in writing to the Obligated Group Representative and all of the Holders of Master Obligations (and to the Master Trustee if given by Holders of Master Obligations), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Majority Holders, by written notice to the Obligated Group Representative and the Master Trustee, shall rescind and annul such declaration and its consequences if:

(a) one or more Obligated Group Members have paid or deposited with the Master Trustee a sum sufficient to pay:

(i) all overdue installments of interest on all Master Obligations,

(ii) the principal of (and premium, if any, on) any Master Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Master Obligations, and

(iii) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of Master Obligations which have become due solely by such acceleration, have been cured or waived as provided in Section 7.15 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 7.03 Entry; Powers of Sale, Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement

(a) As to all real property and fixtures included in the Trust Estate, the Obligor agrees that upon the occurrence of an Event of Default the Obligor, upon demand of the Master Trustee during the continuance thereof, shall forthwith surrender to the Master Trustee or its agent (or to a receiver appointed

by a court) the actual possession of, and it shall be lawful for the Master Trustee by such officers or agents as it may appoint (or by receiver appointed by a court) to enter and take possession of, the Trust Estate (and the books, papers, and accounts of the Obligated Group Members) and to hold, operate, and manage the Trust Estate (including the managing of all needful repairs, and such alterations, additions, and improvements as to the Master Trustee shall seem wise) and to receive the rents, issues, tolls, profits, revenues, and other income thereof, and, after deducting the costs and expenses of entering, taking possession, holding, operating, and managing the Trust Estate, as well as payments for taxes, insurance, and other proper charges upon the Trust Estate including without limitation, reasonable compensation to itself, its agents, and counsel, to apply the same as provided in Section 7.08.

(b) In case an Event of Default shall occur and be continuing, the Master Trustee, in its discretion may, subject to the provisions of Section 7.17:

(i) exercise its remedies under the Security Deed as to all of the real property and fixtures included in the Trust Estate, or

(ii) protect and enforce its rights and the rights of the Master Trustee under this Master Trust Indenture by sale pursuant to judicial proceedings or by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Master Trust Indenture or in aid of the execution of any power granted in this Master Trust Indenture or for the sale under or the foreclosure of the Security Deed or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee, or

(iii) as to all or part of the personal property (tangible or intangible) and fixtures included in the Trust Estate (such portion of the Trust Estate herein referred to as the "Collateral"),

(A) proceed under the Uniform Commercial Code and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sale, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, and, to the extent permitted by law, each Obligated Group Member expressly waives any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee existing after default hereunder, and, to the extent any such notice is required and cannot be waived, each Obligated Group Member agrees that if such notice is mailed, postage prepaid, to the Master Trustee at its address stated in the first paragraph hereof at least ten days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(B) take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate or desirable by the Master Trustee, at its option and in its discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(C) transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Master Obligations or apply same as herein provided, and

(D) require the Members to assemble the Collateral and make it available to the Trustee at a place to be designated by the Trustee that is reasonably convenient to all parties.

The Master Trustee shall be fully subrogated to the rights of all vendor's lienholders and other lienholders whose indebtedness is paid in whole or in part from proceeds of Master Obligations.

The filing of a suit to foreclose any lien, mortgage, or security interest hereunder or under the Security Deed shall never be considered an election so as to preclude foreclosure under any power of sale contained herein or in the Security Deed after dismissal of such a suit

Section 7.04 Incidents of Sale

Upon any sale of any of the Trust Estate, whether made under the provisions hereby given, or given by the Security Deed, or pursuant to judicial proceedings, to the extent permitted by law:

(a) Any Holder or Holders of Master Obligations or the Master Trustee or its designee, provided that the Master Trustee has been properly directed by the requisite percentage of holders of Master Obligations and indemnified to its satisfaction and subject to all the protection of Section 8.03(n), may bid for and purchase the Property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such Property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Master Obligations or claims for interest thereon in lieu of cash equal to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Master Obligations, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(b) The Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient bill of sale and instrument of assignment and transfer of the Property sold;

(c) The Master Trustee is hereby irrevocably appointed the true and lawful attorney of each Member, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the Property thus sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments of assignment and transfer and may substitute one or more persons, firms or corporations with like power, each Member hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Master Trustee or by any purchaser, any Member shall ratify and confirm any such sale or transfer by executing and delivering to the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and release as may be designated in any such request;

(d) Rights, titles, interests, claims and demands whatsoever, either at law or in equity or otherwise, of the Members of, in and to the Property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against each of the Members and their respective successors and assigns, and against any and all persons claiming or who may claim the Property sold or any part thereof by, through or under the Members or their respective successors and assigns; and

(e) Receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representative shall not, after paying such purchase money and receiving such receipt, be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

Upon a sale of substantially all the Trust Estate, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the Obligated Group Members will permit, to the extent permitted by law, the purchaser thereof and its successors and assigns to take and use the names of the Members and to carry on business under such name or any variant thereof and to use and employ any and all other trade names, brands and trademarks of the Members; and in such event, upon written request of such purchaser, its successors or assigns, any Member will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

Section 7.05 Collection of Indebtedness and Suits for Enforcement by Master Trustee

The Obligated Group Members covenant (subject to any notice and grace periods contained herein) that if:

(a) Default is made in the payment of any installment of interest on any Master Obligation when such interest becomes due and payable, or

(b) Default is made in the payment of the principal of (or premium, if any, on) any Master Obligation at the Maturity thereof,

each Obligated Group Member will, upon demand of the Master Trustee, pay to it, for the benefit of the Holders of such Master Obligations, the whole amount then due and payable on such Master Obligations for principal (and premium, if any) and interest, with interest at the rate borne by the Master Obligations upon the overdue principal (and premium, if any), and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

If the Obligated Group Members fail to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Obligated Group Members or any other obligor upon the Master Obligations and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the Property of the Obligated Group Members or any other obligor upon the Master Obligations, wherever situated.

If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Master Obligations by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Trust Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 7.06 Master Trustee May File Proofs of Claim

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Obligated Group Members or any other obligor upon the Master Obligations or the Property of the Obligated Group Members

or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Master Obligations shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Obligated Group Members for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) To file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Master Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel which shall be deemed an administrative claim) and of the Holders of Master Obligations allowed in such judicial proceeding, and

(b) To collect and receive any moneys or other Property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator, custodian or other similar official in any such judicial proceeding is hereby authorized by each Holder of Master Obligations to make such payments to the Master Trustee and, in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Master Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel and any other amounts due the Master Trustee under this Master Trust Indenture which shall be deemed an administrative claim. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under Section 8.07 hereof out of the estate in any such proceeding, shall be unpaid for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

The Master Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' committee or other similar committee. Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Master Obligations any plan of reorganization, arrangement, adjustment or composition affecting the Master Obligations or the rights of any Holder thereof or to authorize the Master Trustee to vote in respect of the claim of any Holder of Master Obligations in any such proceeding.

Section 7.07 Master Trustee May Enforce Claims Without Possession of Master Obligations

All rights of action and claims under this Master Trust Indenture or the Master Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Master Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Master Obligations in respect of which such judgment has been recovered.

Section 7.08 Application of Money Collected

Any money or Property collected by the Master Trustee pursuant to this Article VII, any money or Property distributable in respect of an Obligated Group Member's obligations under this Master Trust Indenture after any Event of Default, and any proceeds of any sale (after deducting the costs and expenses of such sale, including reasonable compensation to the Master Trustee, its agents and counsel, and any

taxes, assessments or liens prior to the lien of this Master Trust Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of any entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Trust Indenture, shall be applied in the order specified in Section 3.01 hereof, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Master Obligations and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid. The Master Trustee may fix a record date and payment date for any payment or distribution to Holders pursuant to this Section 7.08.

In the event the Master Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 7.01(c) or Section 7.01(d), or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 7.09 Limitation on Suits

No Holder of any Master Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Trust Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) Such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(b) The Holders of not less than 25% in principal amount of the Outstanding Master Obligations (other than Master Obligations constituting Subordinated Indebtedness) shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(c) Such Holder or Holders have offered to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) The Master Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) No direction inconsistent with such written request has been given to the Master Trustee during such 60 day period by the Majority Holders; it being understood and intended that no one or more Holders of Master Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Trust Indenture to affect, disturb or prejudice the rights of any other Holders of Master Obligations, to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Master Trust Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Master Obligations (other than Master Obligations constituting Subordinated Indebtedness).

(f) Notwithstanding any provision of this Section to the contrary, if an Event of Default occurs and is continuing, no Holder of any Master Obligation constituting Subordinated Indebtedness shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder until all Master Obligations other than Master Obligations constituting Subordinated Indebtedness have been paid in full.

Section 7.10 Unconditional Right of Holders of Master Obligations to Receive Principal, Premium and Interest

Subject to Section 9.02 hereof, the Holder of any Master Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 2.07 hereof) interest on such Master Obligation on the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that if an Event of Default occurs and is continuing, no Holder of any Master Obligation constituting Subordinated Indebtedness shall institute suit for the enforcement of any such payment until all Obligations other than Master Obligations constituting Subordinated Indebtedness have been paid in full.

Section 7.11 Restoration of Rights and Remedies

If the Master Trustee or any Holder of Master Obligations has instituted any proceeding to enforce any right or remedy under this Master Trust Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Holder of Master Obligations, then and in every such case the Obligated Group Members, the Master Trustee and the Holders of Master Obligations shall, subject to any court determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Holders of Master Obligations shall continue as though no such proceeding had been instituted.

Section 7.12 Rights and Remedies Cumulative

No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Master Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.13 Delay or Omission Not Waiver

No delay or omission of the Master Trustee or of any Holder of any Master Obligation to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VII or by law to the Master Trustee or to the Holders of Master Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Holders of Master Obligations, as the case may be.

Section 7.14 Control by Holders of Master Obligations

The Majority Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that:

(a) Such direction shall not be in conflict with any rule of law or with this Master Trust Indenture or be unduly prejudicial to the rights of Holders of Master Obligations not joining in the giving

of such direction (it being understood that the Master Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to such Holders of Master Obligations),

(b) The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction; and

(c) The Master Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 8.03(e) hereof is provided to it by such Holders.

Section 7.15 Waiver of Past Defaults and Future Covenant Requirements

The Majority Holders may on behalf of the Holders of all the Master Obligations waive any past Default or Event of Default hereunder and its consequences (or future covenant requirements), except a Default or covenant requirement with respect to:

(a) The payment of the principal of (or premium, if any) or interest on any Master Obligation, or

(b) A covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Master Obligation affected.

Upon any such waiver, such Default shall be deemed to have never occurred, and any Event of Default arising therefrom shall be deemed to have been cured *ab initio*, for every purpose of this Master Trust Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 7.16 Undertaking for Costs

All parties to this Master Trust Indenture agree, and each Holder of any Master Obligation by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Trust Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Holder of Master Obligations, or group of Holders of Master Obligations, holding in the aggregate more than 10% in principal amount of the Outstanding Master Obligations, or to any suit instituted by any Holder of Master Obligations for the enforcement of the payment of the principal of (or premium, if any) or interest on any Master Obligation on or after the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on or after the redemption date).

Section 7.17 Waiver of Stay or Extension Laws

Each Obligated Group Member covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Trust Indenture; and each Obligated Group Member (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been

enacted. Notwithstanding the foregoing, nothing contained in this Section 7.17 shall be deemed to be a waiver of any applicable statute of limitations or repose.

[End of Article VII]

**ARTICLE VIII
CONCERNING THE MASTER TRUSTEE**

Section 8.01 Duties and Liabilities of Master Trustee

(a) Except during the continuance of an Event of Default, the Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Indenture and no implied covenants or obligations shall be read into this Master Trust Indenture against the Master Trustee. The Master Trustee shall have no duty to review any financial statements provided by the Obligated Group hereunder, nor shall the Master Trustee be considered to have notice of the content of such statements or a default based on such content. The Master Trustee shall have no duty to verify the accuracy of such financial statements.

(b) In case any Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Indenture and use the same degree of care and skill in their exercise as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Trust Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Majority Holders relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred upon the Master Trustee under this Master Trust Indenture;

(iv) no provision of this Master Trust Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers without regard to whether it shall have grounds for believing that the repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it; and

(v) in the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Trust Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform in form to the requirements of this Master Trust Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein).

(d) Whether or not therein expressly so provided, every provision of this Master Trust Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 8.02 Notice of Defaults

Within 60 days after the occurrence of any Default or Event of Default hereunder of which the Master Trustee is deemed to have knowledge as provided in Section 8.03(h) hereof, the Master Trustee shall transmit by mail to all Holders of Master Obligations notice of such Default unless such Default shall have been cured or waived; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Master Obligations or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Master Obligations; and provided, further, that in the case of any default of the character specified in Section 7.01(b) no such notice to Holders of Master Obligations shall be given until at least 30 days after the occurrence thereof.

Section 8.03 Certain Rights of Master Trustee

Except as otherwise provided in Section 8.01 hereof:

(a) The Master Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person or any Obligated Group Representative Request; and any resolution of the Governing Body of any Person may be evidenced to the Master Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Master Trust Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate or an Opinion of Counsel, which shall conform to the provisions of Section 1.03; the Master Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(d) The Master Trustee may consult with 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, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Trust Indenture at the request or direction of any of the Holders of Master Obligations pursuant to the provisions of this Master Trust Indenture, unless such Holders shall have

provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in connection with such request or direction;

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligated Group Members and each other obligor on the Master Obligations, personally or by agent or attorney;

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care hereunder;

(h) The Master Trustee shall not be required to take notice or be deemed to have knowledge of any Default or Event of Default hereunder, except an Event of Default under Section 7.01(a), unless a Responsible Officer has actually received notice of such default in writing from any Obligated Group Member or the Holder of any Master Obligations referencing the Master Obligations and describing such Default or Event of Default;

(i) The permissive right of the Master Trustee to do things enumerated in this Master Trust Indenture shall not be construed as a duty. It shall not be the duty of the Master Trustee, except as herein provided, to see that any duties or obligations herein imposed upon any Obligated Group Member or any other Person are performed, and the Master Trustee shall not be liable or responsible for the failure of any Obligated Group Member or any other Person to perform any act required of it or them by this Master Trust Indenture;

(j) The Master Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Master Trust Indenture;

(k) In the event the Master Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Master Obligations, each representing less than a majority in aggregate principal amount of the Master Obligations Outstanding, the Master Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(l) The Master Trustee's immunities and protections from liability in connection with the performance of its duties under this Master Trust Indenture shall extend to the Master Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Master Trustee's right to compensation, shall survive the Master Trustee's resignation or removal and final payment of the Master Obligations;

(m) Except for information provided by the Master Trustee concerning the Master Trustee, the Master Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Master Obligations, and the Master Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Master Obligations;

(n) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject

the Master Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Master Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action and the Master Trustee shall not be required to take such foreclosure or similar action if it reasonably determines that the approval of a governmental regulator that cannot be obtained is necessary for such foreclosure or similar action;

(o) The Master Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Trust Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fire, flood, hurricanes or other storms, wars, terrorism, similar military disturbances, sabotage, epidemic, pandemic, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services, accidents, labor disputes or acts of civil or military authority or governmental action, it being understood that the Master Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances;

(p) In no event shall the Master Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(q) The rights, privileges, protections, immunities and benefits given to the Master Trustee, including, without limitation, its right to be compensated, reimbursed and indemnified, are extended to, and shall be enforceable by, the Master Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder;

(r) The Master Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Master Trust Indenture;

(s) The Master Trustee may request that the Obligated Group Representative deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to furnish the Master Trustee with Officer's Certificates, Requests, directions, notices and any other matters or directions pursuant to this Master Trust Indenture; and

(t) The Master Trustee shall be entitled to rely on all written investment instructions provided by the Obligated Group Representative hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. The Master Trustee shall be fully protected in relying on any written investment direction as to the suitability and legality of any such directed investment. The Obligated Group Representative acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Obligated Group the right to receive brokerage confirmations of security transactions, the Obligated Group Representative waives receipt of such confirmations.

Section 8.04 Not Responsible for Recitals or Issuance of Master Obligations

The recitals contained herein and in the Master Obligations (other than the certificate of authentication on such Master Obligations) shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee

makes no representations as to the validity or sufficiency of this Master Trust Indenture or of the Master Obligations or of the Trust Estate. The Master Trustee shall not be accountable for the use or application by the Obligated Group Members of any of the Master Obligations or of the proceeds of such Master Obligations or any money paid to the Obligated Group Members or upon any Obligated Group Member's direction under any provision of this Master Trust Indenture. The Master Trustee is not a party to, and is not responsible for, and makes no representation with respect to matters set forth in, any preliminary official statement, official statement or similar document prepared and distributed in connection with the transactions contemplated in this Master Trust Indenture. Notwithstanding the effective date of this Master Trust Indenture or anything to the contrary in this Master Trust Indenture, the Master Trustee shall have no liability or responsibility for any act or event relating to this Master Trust Indenture which occurs prior to the date the Master Trustee formally executes this Master Trust Indenture and commences acting as Master Trustee hereunder. The Master Trustee shall have no responsibility or liability of any kind as a result of any adverse consequence to any Holder of Master Obligations that constitute Subordinated Indebtedness as result of the terms of such Subordinated Indebtedness. The Master Trustee shall not be responsible for and makes no representation as to the tax exempt status of any Master Obligation or Related Bond.

The Master Trustee shall not be responsible for and makes no representation as to the Obligated Group's or any Member's right, title, or ownership in any of the Trust Estate and shall have no obligation for any defects therein or to inquire or investigate the same in any manner. The Master Trustee shall not be responsible for and makes no representation as to the existence or sufficiency of the Trust Estate, the creation, perfection, priority, sufficiency or protection of any Liens securing the Master Obligations and this Master Trust Indenture, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any Lien or Master Trust Indenture document. The Master Trustee shall not be responsible for and makes no representation as to the compliance by the Obligated Group Members with any covenant or statutory or regulatory requirement related to the Trust Estate. The Master Trustee makes no representation as to, and shall not be responsible for, the recording or re-recording filing, or filing or re-filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Trust Estate except as expressly provided in Section 11.06. The Master Trustee shall not be liable or responsible for the failure of the Obligated Group Members to maintain insurance on the Trust Estate as provided in this Master Trust Indenture, nor shall it be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured any Obligated Group Member, the Master Trustee or any other Person. The Master Trustee shall have no duty hereunder with respect to any complaint, claim, demand, notice or other document it may receive or which may be alleged to have been delivered to or served upon it by third parties as a consequence of the filing or recordation of any portion of the Trust Estate; provided, however, that the Master Trustee shall use commercially reasonable efforts to deliver to the Obligated Group Representative a copy of any such complaint, claim, demand, notice or other document which is delivered to the Corporate Trust Office and contains sufficient information to enable the Master Trustee to identify such complaint, claim, demand, notice or other document as pertaining to this Master Trust Indenture.

Section 8.05 Master Trustee or Registrar May Own Master Obligations

The Master Trustee, any Paying Agent, any registrar or any other agent of the Obligated Group Members, in its individual or any other capacity, may become the owner or pledgee of Master Obligations and may otherwise deal with the Obligated Group Members with the same rights it would have if it were not Master Trustee, Paying Agent, Master Obligation registrar or such other agent.

Section 8.06 Money to Be Held in Trust

All money received by the Master Trustee shall, until used or applied 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. The Master Trustee shall be under no liability for interest on any money received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 8.07 Compensation and Expenses of Master Trustee

The Obligated Group Members agree:

- (a) To pay to the Master Trustee from time to time reasonable compensation for all services (including extraordinary services) rendered by it hereunder in accordance with a written schedule provided by the Master Trustee to the Obligated Group Representative, which shall not be limited by any law on compensation of a trustee of an express trust;
- (b) To reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Trust Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct;
- (c) Each Obligated Group Member shall, jointly and severally, indemnify the Master Trustee and its officers, directors, employees and agents for, and hold it harmless against, any loss, liability, damage, claim or expense incurred by it without negligence or willful misconduct on its part, arising out of and in connection with the acceptance or administration of this trust and the performance of its duties hereunder or the exercise of its rights and powers hereunder or under the Master Obligations, including the costs and expenses (including reasonable attorney's fees, costs and expenses) of defending itself against any claim or liability and of enforcing this Master Trust Indenture and the Master Obligations (whether asserted by any Holder of Master Obligations, any Obligated Group Member or otherwise), and such indemnification shall survive the termination of this Master Trust Indenture, the payment in full of all Master Obligations issued hereunder or the sooner resignation or removal of the Master Trustee;
- (d) In the case of any claim indemnified by the Obligated Group Members hereunder that is covered by a policy of insurance maintained by or on behalf of the Obligated Group Members, the Master Trustee agrees to cooperate, at the Obligated Group Members' expense, with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim;
- (e) To secure the Obligated Group Members' payment obligations in this Section 8.07, the Master Trustee shall have a Lien prior to the Master Obligations on all money or Property held or collected by the Master Trustee, including funds held in the Debt Service Reserve Fund, except that held in trust to pay principal and interest on particular Master Obligations; such Lien shall survive the satisfaction and discharge of this Master Trust Indenture and resignation or removal of the Master Trustee; and
- (f) "Master Trustee" for the purposes of this Section 8.07 shall include any predecessor Master Trustee and the Master Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder; provided, however, that the negligence or willful misconduct of any Master Trustee hereunder shall not affect the rights of any other Master Trustee hereunder.

Section 8.08 Corporate Master Trustee Required; Eligibility

There shall at all times be a Master Trustee hereunder which shall be a banking corporation, bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state banking authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect hereinafter specified in this Article VIII.

Section 8.09 Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Master Trustee under Section 8.10 hereof.

(b) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed (i) if no Default or Event of Default has occurred and is continuing under this Master Trust Indenture, then by act of the Obligated Group Representative delivered to the Master Trustee, and (ii) at any time by act of the Majority Holders delivered to the Master Trustee and to the Obligated Group Representative.

(d) If at any time:

(i) the Master Trustee shall cease to be eligible under Section 8.08 hereof and shall fail to resign after written request therefor by the Obligated Group Representative or by any such Holder of Master Obligations, or

(ii) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Trustee or of its Property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its Property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Obligated Group Representative by written request may remove the Master Trustee or (B) subject to Section 7.16 hereof, any Holder of Master Obligations who has been a bona fide Holder of a Master Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Majority Holders shall promptly appoint a successor Master Trustee. If no successor Master Trustee shall have been so appointed by the Majority Holders and accepted appointment in the manner hereinafter provided, any Holder of Master

Obligations who has been a bona fide Holder of a Master Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Obligated Group Representative shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first class mail, postage prepaid, to the registered Holders of Master Obligations at their addresses as shown in the Obligation Register. Each notice shall include the name and address of the designated Corporate Trust Office of the successor Master Trustee.

Section 8.10 Acceptance of Appointment by Successor

Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligated Group Representative and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee; but, on the reasonable written request of the Obligated Group Representative or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges and the amounts due to it hereunder, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee and shall duly assign, transfer and deliver to the successor Master Trustee all Property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Obligated Group Representative shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article VIII. The indemnity provided for in Section 8.07(c) hereof herein shall continue to be binding upon the Members of the Obligated Group for the benefit of the retiring or removed Master Trustee.

Section 8.11 Merger or Consolidation

Any entity into which the Master Trustee may be merged or with which it may be consolidated, any entity resulting from any merger or consolidation to which the Master Trustee shall be a party or any entity succeeding to all or substantially all of the corporate trust business of the Master Trustee shall be the successor Master Trustee hereunder, provided such entity shall be otherwise qualified and eligible under this Article VIII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Master Obligations shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Master Obligations so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Master Obligations.

Section 8.12 Co-Master Trustee

It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Master Trust Indenture upon the occurrence of an Event of Default, it may be necessary that the Master Trustee appoint an additional individual or institution as a separate Master Trustee or Co-Master Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Master Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Master Trustee or to hold a security interest in the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Master Trustee with respect thereto shall be exercisable by and vest in a separate Master Trustee or Co-Master Trustee appointed by the Master Trustee but only to the extent necessary to enable the separate Master Trustee or Co-Master Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Master Trustee or Co-Master Trustee shall run to and be enforceable by either of them. Should any deed, conveyance or instrument in writing from any Obligated Group Member be required by the separate Master Trustee or Co-Master Trustee so appointed by the Master Trustee in order to more fully and certainly vest in and confirm to such separate Master Trustee or Co-Master Trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by such Obligated Group Member, at the expense of the Obligated Group. In case any separate Master Trustee or Co-Master Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Master Trustee or Co-Master Trustee, so far as permitted by law, shall vest in and be exercised by the Master Trustee until the appointment of a new Master Trustee or successor to such separate Master Trustee or Co-Master Trustee.

[End of Article VIII]

ARTICLE IX SUPPLEMENTS AND AMENDMENTS

Section 9.01 Supplements Without Consent of Holders of Master Obligations

Without the Consent of the Holders of any Master Obligations, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee at any time may enter into one or more Supplements for any of the following purposes:

- (a) To evidence the succession of another Person to an Obligated Group Member, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of an Obligated Group Member as permitted by this Master Trust Indenture or to evidence additions to, or withdrawals from, membership in the Obligated Group in accordance with the provisions of Article VI hereof;
- (b) To add to the covenants of the Obligated Group Members for the benefit of the Holders of Master Obligations, to surrender any right or power herein conferred upon the Obligated Group Members or to add to the Events of Default enumerated in Section 7.01 hereof;
- (c) To cure any ambiguity or to correct or supplement any provision herein that may be inconsistent with any other provision herein or to make any other provision with respect to matters or questions arising under this Master Trust Indenture, provided such action shall not materially adversely affect the interests of the Holders of Master Obligations;
- (d) To modify or supplement this Master Trust Indenture in such manner as may be necessary or appropriate to qualify this Master Trust Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal or state statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Obligated Group Members undertake such covenants, conditions or restrictions additional to those contained in this Master Trust Indenture as would be necessary or appropriate so to qualify this Master Trust Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Trust Indenture or in any Supplements provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;
- (e) To create and provide for the issuance of Master Obligations as permitted hereunder;
- (f) To increase or maintain any credit rating assigned to any series of Related Bonds by a Rating Agency so long as no Master Obligation issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness);
- (g) To change Section 4.14 to permit the financial statements required therein to more accurately reflect the financial position and operations of the Obligated Group;
- (h) To specify and determine matters necessary or desirable for the incorporation of any future rules and regulations with respect to Subsidy Bonds; and
- (i) To make any amendment to any provision of this Master Trust Indenture or to any Supplement which is only applicable to Master Obligations issued thereafter or which will not apply so long as any Master Obligation then Outstanding remains Outstanding.

Section 9.02 Supplements With Consent of Holders of Master Obligations

With the Consent of the Majority Holders, by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Trust Indenture or of modifying in any manner the rights of the Holders of the Master Obligations under this Master Trust Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby,

(a) Change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(b) Reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Trust Indenture or certain defaults hereunder and their consequences) provided for in this Master Trust Indenture, or

(c) Modify any of the provisions of this Section or Section 7.15, except to increase any such percentage or to provide that certain other provisions of this Master Trust Indenture cannot be modified or waived without the Consent of the Holder of each Master Obligation affected thereby.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in subsections (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in subsections (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

It shall not be necessary for any Act of Holders of Master Obligations under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.03 Execution of Supplements

In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modifications thereby of the trusts created by this Master Trust Indenture, the Master Trustee shall be entitled to receive, and shall be fully protected in conclusively relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Master Trust Indenture and that all conditions precedent thereto have been complied with. In connection with the execution and delivery of a Supplement pursuant to Section 9.01(c) the Master Trustee, in its discretion, may determine whether or not in accordance with such Section the Holders of the Master Obligations would be affected by such Supplement, and any such determination shall be binding and conclusive on the Members of the Obligated Group and the Holders of the Master Obligations. The Master Trustee may receive and be entitled to conclusively rely upon an Opinion of Counsel as conclusive evidence

as to whether the Holders of the Master Obligations would be so affected by any such Supplement. The Master Trustee may, but shall not (except to the extent required in the case of a Supplement entered into under Section 9.01(d)) be obligated to, enter into any such Supplement which affects the Master Trustee's own rights, duties or immunities under this Master Trust Indenture or otherwise.

Section 9.04 Effect of Supplement

Upon the execution of any Supplement under this Article, this Master Trust Indenture shall, with respect to each series of Master Obligations to which such Supplement applies, be modified in accordance therewith, and such Supplement shall form a part of this Master Trust Indenture for all purposes, and every Holder of Master Obligations thereafter or (except to the extent provided pursuant to Section 9.01(h)) theretofore authenticated and delivered hereunder shall be bound thereby.

Section 9.05 Master Obligations May Bear Notation of Changes

Master Obligations authenticated and delivered after the execution of any Supplement pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Master Obligations so modified as to conform, in the opinion of the Master Trustee and the Obligated Group Representative, to any such Supplement may be prepared and executed by the applicable Obligated Group Member and authenticated and delivered by the Master Trustee in exchange for Master Obligations then Outstanding.

[End of Article IX]

ARTICLE X
SATISFACTION AND DISCHARGE OF INDENTURE

Section 10.01 Satisfaction and Discharge of Indenture

If at any time the Obligated Group Members shall have paid or caused to be paid the principal of (and premium, if any) and interest on all the Master Obligations Outstanding hereunder, as and when the same shall have become due and payable (in the case of Master Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments), and if the Obligated Group Members shall also pay or provide for the payment of all other sums payable hereunder by each Obligated Group Member, then this Master Trust Indenture shall cease to be of further effect (except as to (a) rights of registration of transfer and exchange, (b) substitution of mutilated, defaced or apparently destroyed, lost or stolen Master Obligations, (c) rights of Holders to receive payments of principal thereof (and premium, if any) and interest thereon, (d) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder, and (e) the rights of the Holders as beneficiaries hereof with respect to the Property so deposited with the Master Trustee payable to all or any of them) and the Master Trustee, on the Obligated Group Representative's Request accompanied by an Officer's Certificate and an Opinion of Counsel (both to the effect that all conditions precedent in this Master Trust Indenture relating to the satisfaction and discharge of this Master Trust Indenture have been satisfied) and at the cost and expense of the Obligated Group Representative, shall execute proper instruments acknowledging satisfaction of and discharging this Master Trust Indenture.

Notwithstanding the satisfaction and discharge of this Master Trust Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 8.07 and, if funds shall have been deposited with the Master Trustee pursuant to Section 10.02, the obligations of the Master Trustee under Section 10.03 shall survive.

Section 10.02 Master Obligations Deemed Paid

Master Obligations of any series shall be deemed to have been paid if (a) (i) in case such Master Obligations are to be redeemed on any date prior to their Stated Maturity, the Obligated Group Representative by Obligated Group Representative Request shall have given to the Master Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Master Obligations on said redemption date, (ii) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Accountant or a nationally recognized firm with experience preparing verification reports setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Master Obligations (in the case of Master Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments) on and prior to the redemption date or Stated Maturity thereof, as the case may be, and (iii) in the event said Master Obligations are not by their terms subject to redemption within the next 45 days, the Obligated Group Representative shall have given the Master Trustee in form satisfactory to it irrevocable written instructions to give a notice to the Holders of such Master Obligations that the deposit required by clause (ii) above has been made with the Master Trustee and that said Master Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal of (and premium, if any) and interest on said Master Obligations (in the case of Master Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments), or (b) such Master Obligations are delivered to the Master Trustee by the Holder thereof together with instructions from the Obligated Group Representative directing the Master Trustee to retire and cancel such Master Obligations.

Section 10.03 Application of Trust Money

The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 10.02 hereof and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested and shall be applied by it in accordance with the provisions of the Master Obligations and this Master Trust Indenture to the payment, either directly or through any Paying Agent (including the Obligated Group Representative acting as Paying Agent) as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Accountant or a nationally recognized firm with experience preparing verification reports setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (a)(ii) of Section 10.02 hereof, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Obligated Group Representative Request, be reinvested, to the extent practicable, in other Defeasance Obligations or disposed of as requested by the Obligated Group Representative. For purposes of any calculation required by this Article X, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer and the principal of such obligation shall be assumed to be received at its stated maturity.

Section 10.04 Payment of Related Bonds

Notwithstanding any other provision of this Article X, no Master Obligation will be considered paid or deemed to have been paid unless the Related Bonds, if any, have been paid or deemed paid pursuant to the Related Bond Indenture.

[End of Article X]

**ARTICLE XI
MISCELLANEOUS PROVISIONS**

Section 11.01 No Personal Liability

No recourse under this Master Trust Indenture or any Master Obligations shall be had against any officer, director, agent or employee, as such, past, present or future, of any Obligated Group Member, any Affiliate, the Master Trustee or of any successor corporation; it being expressly understood that this Master Trust Indenture and the obligations incurred hereunder are solely obligations of the entities named herein as Obligated Group Members, that no personal liability whatever shall attach to such persons or any of them under this Master Trust Indenture or any Master Obligations, and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such person because of the creation of the indebtedness hereby authorized or under or by reason of the obligations, covenants or agreements contained in this Master Trust Indenture or in any Master Obligations are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Trust Indenture and the issue of such Master Obligations.

Section 11.02 Choice of Law

This Master Trust Indenture and the Master Obligations shall be deemed to be contracts made under the laws of the State of North Carolina and for all purposes shall be construed in accordance with the laws of the State of North Carolina applicable to contracts made and to be performed in the State of North Carolina without regard to conflict of law principles.

Section 11.03 Legal Holidays

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Master Trust Indenture, shall be a legal holiday, a day on which banking institutions in New York, New York are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday, a day on which such banking institutions are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, with the same force and effect as if done on the nominal date provided in this Master Trust Indenture.

Section 11.04 Benefits of Provisions of Master Trust Indenture and Master Obligations

Nothing in this Master Trust Indenture or in the Master Obligations, expressed or implied, shall give or be construed to give any Person, other than the parties hereto, the provider of any Credit Facility and the Holders of such Master Obligations, any legal or equitable right, remedy or claim under or in respect of this Master Trust Indenture or under any covenant, condition and provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of such Master Obligations.

Section 11.05 Execution in Counterparts

This Master Trust Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Master Trust Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Master Trust Indenture as to the parties hereto and

may be used in lieu of the original Master Trust Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 11.06 UCC Financing Statements

The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code financing statement, continuation statement or amendment that may be required by law or is necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Trust Indenture and shall timely provide a recorded copy of each filed original financing statement filed pursuant to Section 4.03 to the Master Trustee. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests or the accuracy or sufficiency of any description of collateral in such filings, and unless the Master Trustee shall have been notified by the Obligated Group that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in conclusively relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this Section. The Master Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by Article 9 of the Uniform Commercial Code in order to continue the Uniform Commercial Code financing statements in connection with the security interests created by this Master Trust Indenture that were initially filed by the Members of the Obligated Group; provided, however, no such agreement shall apply or extend to any amendment or new original filing required pursuant to Section 4.07 and any event described therein. The Obligated Group shall be responsible for and shall pay any reasonable expenses and customary fees, including legal fees incurred under this section.

Section 11.07 Providers of Credit Facilities Deemed Holders

For all purposes hereof including, without limitation, Articles VII and IX of this Master Trust Indenture, so long as a provider of a Credit Facility securing any Master Obligations or Indebtedness represented by such Master Obligations (including, without limitation, Related Bonds) is not in default with respect to its obligations under such Credit Facility, such provider shall be deemed to be the Holder of such Master Obligations and entitled to provide all consents and control all remedies with respect thereto to the exclusion of the Holders thereof so long as its Credit Facility is in effect.

Section 11.08 Entire Agreement

This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof, and incorporates and supersedes all prior discussions, negotiations, understandings, and agreements with respect thereto, including without limitation the 2019 Master Trust Indenture.

Section 11.09 Amendment and Restatement; Effect of Existing Supplements

This Master Trust Indenture amends and restates the 2019 Master Trust Indenture in its entirety. This Master Trust Indenture continues to be supplemented by Supplement Number 1, Supplement Number 5, Supplement Number 6 and Supplement Number 7.

[End of Article XI]

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first above written.

SAMARITAN HOUSING FOUNDATION, INC.,
as the initial Obligated Group Member

By: _____
President

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Authorized Signatory

EXHIBIT A
EXCLUDED PROPERTY

None.

APPENDIX J

FORM OF DELAYED DELIVERY AGREEMENT FOR THE SERIES 2022 BONDS

October __, 2021

Herbert J. Sims & Co. Inc.
2150 Post Road, Suite 301
Fairfield, CT 06824

Telephone No. (203) 418-9000
Attn: Municipal Underwriting Desk

Re: Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project),
Series 2022A (Forward Delivery) (the "Series 2022 Bonds")

Ladies and Gentlemen:

This letter agreement (the "Contract"), together with the related confirmation (the "Confirmation"), shall apply to the purchase by undersigned purchaser (the "Purchaser") of the Series 2022 Bonds set forth in the Confirmation (the "Bonds") on or about March 3, 2022 (the "Settlement Date") from Herbert J. Sims & Co. Inc., as the underwriter ("Sims"), when, as, and if issued and delivered to Sims from the Public Finance Authority (the "Issuer") for the benefit of Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation d/b/a Searstone Retirement Community (the "Corporation") and Sims agrees to sell to the Purchaser such Bonds as offered by the Issuer under the Preliminary Official Statement dated September __, 2021 (the "Preliminary Official Statement"), and the Official Statement dated October __ 2021 (the "Official Statement"), at the purchase price specified in the Confirmation. Any capitalized term not otherwise defined herein shall have the respective meaning given to such term as set forth in the Official Statement.

The Purchaser acknowledges that, on or prior to the date hereof, the Purchaser has received copies of the Preliminary Official Statement, the Official Statement and the Confirmation. The Purchaser acknowledges further that it has reviewed the Preliminary Official Statement, the Official Statement (including without limitation the section entitled "FORWARD DELIVERY OF THE SERIES 2022 BONDS" therein) and the Confirmation.

Payment for the Bonds, which the Purchaser has agreed to purchase on the Settlement Date, shall be made to Sims or its order on the Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall Sims or the Issuer be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the Issuer does not for any reason issue and deliver the Bonds.

1. Purchase and Settlement. Unless otherwise agreed in writing by Sims and the Purchaser, on the Settlement Date the Purchaser shall pay for and accept delivery of the Bonds if the Bonds shall have been issued and delivered by the Issuer and purchased, accepted and paid for by Sims.

The Series 2022 Bonds are issued pursuant to and secured under the Indenture of Trust dated as of March 1, 2022 (the "Series 2022 Bond Indenture") by and between the Issuer and UMB Bank, National Association, as trustee. The proceeds of the Series 2022 Bonds are being loaned by the Issuer to the Corporation pursuant to a Loan Agreement dated as of March 1, 2022 (the "Series 2022 Loan Agreement") by and between the Issuer and the Corporation. Upon issuance by the Issuer and purchase thereof by Sims, the obligation of the Purchaser to take delivery of the Bonds hereunder shall be unconditional unless any of the following occurs:

(a) At any time subsequent to the Preliminary Closing Date (expected to be November __, 2021) and on or prior to the Settlement Date, legislative, executive or regulatory action shall have occurred or a court decision shall be rendered that has the effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body or upon interest received on the Bonds, or obligations of the general character of the Bonds, or causing interest on the Bonds, or obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation;

(b) For any other reason on the Settlement Date, Bond Counsel cannot issue its opinion substantially in the form and to the effect attached as APPENDIX E to the Official Statement;

(c) The Bonds are not exempt from registration or other requirements under the Securities Act of 1933, as amended and then in effect (the "Securities Act"), or the Series 2022 Bond Indenture is not exempt from qualification or other requirements under the Trust Indenture Act of 1939, as amended and then in effect (the "Trust Indenture Act"), or the offering or sale of the Bonds would be in violation of the Securities Act, the Securities Exchange Act of 1934, as amended and then in effect, the Trust Indenture Act, or similar federal law(s).

The Purchaser's obligation to pay for and accept the Bonds in accordance herewith is not subject to any other condition not otherwise set forth herein, including an adverse change in the market price or marketability of the Bonds, a change in any rating assigned to the Bonds, or any adverse change in the business, affairs or financial condition of the Issuer or the Corporation.

Settlement of the Bonds shall occur on a delivery versus payment basis. Payment shall be made in federal funds to an account or otherwise as designated by Sims and the Bonds shall be transferred to an account designated by the Purchaser.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Settlement Date unless Sims terminates the contract to purchase the Series 2022 Bonds dated October __, 2021 (the "2022 Bond Purchase Agreement") from the Issuer, or the Purchaser terminates its obligation to purchase the Bonds to the extent permitted herein. In the event of a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Contract to Sims before the Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur on or after the Settlement Date. The Purchaser is not a third-party beneficiary under the 2022 Bond Purchase Agreement and has no rights to enforce, or cause Sims to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as provided herein and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Bonds following the date hereof, unless the Purchaser sells Bonds to another institution with the prior written consent of Sims and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser acknowledges that Sims is entering into the 2022 Bond Purchase Agreement with the Issuer to purchase the Series 2022 Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

2. Representations and Warranties. The Purchaser represents and warrants that: (a) it is duly authorized to execute and deliver this Contract and to perform its obligations hereunder and has taken all necessary action (corporate and otherwise) to authorize such execution, delivery and performance; (b) it is acting hereunder as principal (or, if previously agreed in writing by Sims, as agent for a disclosed principal); (c) the person signing this Contract on the Purchaser's behalf is duly authorized to do so on the Purchaser's behalf and is a Vice President or more senior officer of the Purchaser; (d) it has obtained all authorizations of any governmental body required in connection with this Contract and such authorizations are in full force and effect; (e) this Contract constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with the terms hereof; (f) the execution, delivery and performance of this Contract do not and will not violate any law, regulation, ordinance, charter, by-law or rule applicable to the Purchaser or any agreement by which the Purchaser is bound or by which any of its assets are affected; and (g) the Purchaser is knowledgeable of and experienced in the

investment risks of entering into this Contract and purchasing bonds on a forward delivery basis, is capable of evaluating the merits and risks thereof and is able to bear the economic risks associated with this Contract and the purchaser of bonds on a forward delivery basis.

3. Provision of Supplement to Official Statement. The Purchaser acknowledges that, as described in the Official Statement, one of the conditions to Sims' obligation under the 2022 Bond Purchase Agreement to purchase the Series 2022 Bonds is that the Corporation provide a Supplement to the Official Statement as it relates to the Series 2022 Bonds not more than twenty-five (25) days nor less than five (5) days prior to the Settlement Date (the "Supplement to Official Statement"). Sims agrees to furnish a copy of the Supplement to Official Statement to the Purchaser and, upon request by the Purchaser, to furnish on the date of delivery of the Bonds such further information as may be required by the rules and regulations of the Securities and Exchange Commission and any other body having jurisdiction over the transaction contemplated by this Contract. The Purchaser agrees that between the date hereof and the date of the Supplement to Official Statement neither Sims nor the Issuer shall be required by the Purchaser to deliver to the Purchaser additional information or supplements to the Official Statement.

4. Default. Upon any Event of Default, the non-defaulting party shall be entitled (without limiting any other rights or remedies the non-defaulting party may have under applicable law or regulation or by reason of normal business practice) to (i) cancel and otherwise liquidate and close out the transaction without prior notice to the defaulting party, whereupon the defaulting party shall be liable to the non-defaulting party for any resulting loss, damage, cost and expense (including, but not limited to, attorney's fees), including loss equal to the cost of entering into replacement transactions and any damages resulting from the non-defaulting party's entering into or canceling, or otherwise liquidating or closing out, any related hedge transactions; and (ii) take any other action necessary or appropriate to protect and enforce its rights and preserve the benefits of its bargain under this Contract.

Solely for purposes of this paragraph 4, "Event of Default" means (i) the occurrence of an Insolvency Event (as defined below); (ii) any representation made by the Purchaser in paragraph 2 hereof is incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated; or (iii) a party disaffirms, rejects or repudiates any of its obligations under this Contract.

For purposes hereof, "Insolvency Event" means (i) the commencement by a party as debtor of any case or proceeding under any bankruptcy, insolvency, rehabilitation, delinquency, reorganization, liquidation, dissolution or similar law, or the seeking by a party of the appointment of a receiver, conservator, administrator, rehabilitator, custodian, liquidator, trustee, or similar official for such party or any part of such party's property; (ii) the commencement of any such case or proceeding against a party, or the seeking of such an appointment by another, or the filing against a party, of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970; or (iii) an acknowledgment by a party that such party has a negative net worth or is insolvent or is not paying or is unable to pay its debts as they become due.

5. GOVERNING LAW. THIS CONTRACT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

6. Counterparts. This Contract may be executed by either of the parties thereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

7. Miscellaneous. Any and all notices, statements, demands or other communications hereunder may be sent by a party to the other by mail (electronic or via post), facsimile, messenger or otherwise to the address specified on the face of this Contract, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices and requests hereunder may be made orally, to be confirmed promptly in writing. The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule

4210 of the Financial Industry Regulatory Authority and any other margin regulations applicable to Sims. The rights of Sims and the Purchaser under this Contract shall not be assigned without the prior written consent of the other party hereto and any purported assignment without such consent shall be null and void.

It is understood that the acceptance by Sims of any letter agreement, including this Contract is in Sims's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Contract is acceptable to Sims, it is requested that Sims sign the form of acceptance below and mail to its regular business address or deliver by electronic delivery one of the counterparts hereof to the Purchaser. This will become a binding contract between Sims and the Purchaser when such counterpart is so mailed or delivered by Sims. This Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

Purchaser: _____

By: _____

Name: _____

Title: _____

Date: _____

Agreed and accepted:

Herbert J. Sims & Co. Inc.

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX K

FORM OF DELAYED DELIVERY AGREEMENT FOR THE SERIES 2023 BONDS

October __, 2021

Herbert J. Sims & Co. Inc.
2150 Post Road, Suite 301
Fairfield, CT 06824

Telephone No. (203) 418-9000
Attn: Municipal Underwriting Desk

Re: Public Finance Authority Refunding Revenue Bonds (Searstone CCRC Project),
Series 2023A (Forward Delivery) (the "Series 2023 Bonds")

Ladies and Gentlemen:

This letter agreement (the "Contract"), together with the related confirmation (the "Confirmation"), shall apply to the purchase by undersigned purchaser (the "Purchaser") of the Series 2023 Bonds set forth in the Confirmation (the "Bonds") on or about March 3, 2023 (the "Settlement Date") from Herbert J. Sims & Co. Inc., as the underwriter ("Sims"), when, as, and if issued and delivered to Sims from the Public Finance Authority (the "Issuer") for the benefit of Samaritan Housing Foundation, Inc., a Georgia nonprofit corporation d/b/a Searstone Retirement Community (the "Corporation") and Sims agrees to sell to the Purchaser such Bonds as offered by the Issuer under the Preliminary Official Statement dated September __, 2021 (the "Preliminary Official Statement"), and the Official Statement dated October __ 2021 (the "Official Statement"), at the purchase price specified in the Confirmation. Any capitalized term not otherwise defined herein shall have the respective meaning given to such term as set forth in the Official Statement.

The Purchaser acknowledges that, on or prior to the date hereof, the Purchaser has received copies of the Preliminary Official Statement, the Official Statement and the Confirmation. The Purchaser acknowledges further that it has reviewed the Preliminary Official Statement, the Official Statement (including without limitation the section entitled "FORWARD DELIVERY OF THE SERIES 2023 BONDS" therein) and the Confirmation.

Payment for the Bonds, which the Purchaser has agreed to purchase on the Settlement Date, shall be made to Sims or its order on the Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall Sims or the Issuer be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the Issuer does not for any reason issue and deliver the Bonds.

1. Purchase and Settlement. Unless otherwise agreed in writing by Sims and the Purchaser, on the Settlement Date the Purchaser shall pay for and accept delivery of the Bonds if the Bonds shall have been issued and delivered by the Issuer and purchased, accepted and paid for by Sims.

The Series 2023 Bonds are issued pursuant to and secured under the Indenture of Trust dated as of March 1, 2023 (the "Series 2023 Bond Indenture") by and between the Issuer and UMB Bank, National Association, as trustee. The proceeds of the Series 2023 Bonds are being loaned by the Issuer to the Corporation pursuant to a Loan Agreement dated as of March 1, 2023 (the "Series 2023 Loan Agreement") by and between the Issuer and the Corporation. Upon issuance by the Issuer and purchase thereof by Sims, the obligation of the Purchaser to take delivery of the Bonds hereunder shall be unconditional unless any of the following occurs:

(a) At any time subsequent to the Preliminary Closing Date (expected to be November __, 2021) and on or prior to the Settlement Date, legislative, executive or regulatory action shall have occurred or a court decision

shall be rendered that has the effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body or upon interest received on the Bonds, or obligations of the general character of the Bonds, or causing interest on the Bonds, or obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation;

(b) For any other reason on the Settlement Date, Bond Counsel cannot issue its opinion substantially in the form and to the effect attached as APPENDIX E to the Official Statement;

(c) The Bonds are not exempt from registration or other requirements under the Securities Act of 1933, as amended and then in effect (the “Securities Act”), or the Series 2023 Bond Indenture is not exempt from qualification or other requirements under the Trust Indenture Act of 1939, as amended and then in effect (the “Trust Indenture Act”), or the offering or sale of the Bonds would be in violation of the Securities Act, the Securities Exchange Act of 1934, as amended and then in effect, the Trust Indenture Act, or similar federal law(s).

The Purchaser’s obligation to pay for and accept the Bonds in accordance herewith is not subject to any other condition not otherwise set forth herein, including an adverse change in the market price or marketability of the Bonds, a change in any rating assigned to the Bonds, or any adverse change in the business, affairs or financial condition of the Issuer or the Corporation.

Settlement of the Bonds shall occur on a delivery versus payment basis. Payment shall be made in federal funds to an account or otherwise as designated by Sims and the Bonds shall be transferred to an account designated by the Purchaser.

The Purchaser acknowledges and agrees that the Bonds are being sold on a “forward” or “delayed delivery” basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Settlement Date unless Sims terminates the contract to purchase the Series 2023 Bonds dated October ____, 2021 (the “2023 Bond Purchase Agreement”) from the Issuer, or the Purchaser terminates its obligation to purchase the Bonds to the extent permitted herein. In the event of a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Contract to Sims before the Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur on or after the Settlement Date. The Purchaser is not a third-party beneficiary under the 2023 Bond Purchase Agreement and has no rights to enforce, or cause Sims to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as provided herein and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Bonds following the date hereof, unless the Purchaser sells Bonds to another institution with the prior written consent of Sims and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser acknowledges that Sims is entering into the 2023 Bond Purchase Agreement with the Issuer to purchase the Series 2023 Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

2. Representations and Warranties. The Purchaser represents and warrants that: (a) it is duly authorized to execute and deliver this Contract and to perform its obligations hereunder and has taken all necessary action (corporate and otherwise) to authorize such execution, delivery and performance; (b) it is acting hereunder as principal (or, if previously agreed in writing by Sims, as agent for a disclosed principal); (c) the person signing this Contract on the Purchaser’s behalf is duly authorized to do so on the Purchaser’s behalf and is a Vice President or more senior officer of the Purchaser; (d) it has obtained all authorizations of any governmental body required in connection with this Contract and such authorizations are in full force and effect; (e) this Contract constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with the terms hereof; (f) the execution, delivery and performance of this Contract do not and will not violate any law, regulation, ordinance, charter, by-law or rule applicable to the Purchaser or any agreement by which the Purchaser is bound or by which any of its assets are affected; and (g) the Purchaser is knowledgeable of and experienced in the investment risks of entering into this Contract and purchasing bonds on a forward

delivery basis, is capable of evaluating the merits and risks thereof and is able to bear the economic risks associated with this Contract and the purchaser of bonds on a forward delivery basis.

3. Provision of Supplement to Official Statement. The Purchaser acknowledges that, as described in the Official Statement, one of the conditions to Sims' obligation under the 2023 Bond Purchase Agreement to purchase the Series 2023 Bonds is that the Corporation provide a Supplement to the Official Statement as it relates to the Series 2023 Bonds not more than twenty-five (25) days nor less than five (5) days prior to the Settlement Date (the "Supplement to Official Statement"). Sims agrees to furnish a copy of the Supplement to Official Statement to the Purchaser and, upon request by the Purchaser, to furnish on the date of delivery of the Bonds such further information as may be required by the rules and regulations of the Securities and Exchange Commission and any other body having jurisdiction over the transaction contemplated by this Contract. The Purchaser agrees that between the date hereof and the date of the Supplement to Official Statement neither Sims nor the Issuer shall be required by the Purchaser to deliver to the Purchaser additional information or supplements to the Official Statement.

4. Default. Upon any Event of Default, the non-defaulting party shall be entitled (without limiting any other rights or remedies the non-defaulting party may have under applicable law or regulation or by reason of normal business practice) to (i) cancel and otherwise liquidate and close out the transaction without prior notice to the defaulting party, whereupon the defaulting party shall be liable to the non-defaulting party for any resulting loss, damage, cost and expense (including, but not limited to, attorney's fees), including loss equal to the cost of entering into replacement transactions and any damages resulting from the non-defaulting party's entering into or canceling, or otherwise liquidating or closing out, any related hedge transactions; and (ii) take any other action necessary or appropriate to protect and enforce its rights and preserve the benefits of its bargain under this Contract.

Solely for purposes of this paragraph 4, "Event of Default" means (i) the occurrence of an Insolvency Event (as defined below); (ii) any representation made by the Purchaser in paragraph 2 hereof is incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated; or (iii) a party disaffirms, rejects or repudiates any of its obligations under this Contract.

For purposes hereof, "Insolvency Event" means (i) the commencement by a party as debtor of any case or proceeding under any bankruptcy, insolvency, rehabilitation, delinquency, reorganization, liquidation, dissolution or similar law, or the seeking by a party of the appointment of a receiver, conservator, administrator, rehabilitator, custodian, liquidator, trustee, or similar official for such party or any part of such party's property; (ii) the commencement of any such case or proceeding against a party, or the seeking of such an appointment by another, or the filing against a party, of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970; or (iii) an acknowledgment by a party that such party has a negative net worth or is insolvent or is not paying or is unable to pay its debts as they become due.

5. GOVERNING LAW. THIS CONTRACT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

6. Counterparts. This Contract may be executed by either of the parties thereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

7. Miscellaneous. Any and all notices, statements, demands or other communications hereunder may be sent by a party to the other by mail (electronic or via post), facsimile, messenger or otherwise to the address specified on the face of this Contract, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices and requests hereunder may be made orally, to be confirmed promptly in writing. The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 4210 of the Financial Industry Regulatory Authority and any other margin

regulations applicable to Sims. The rights of Sims and the Purchaser under this Contract shall not be assigned without the prior written consent of the other party hereto and any purported assignment without such consent shall be null and void.

It is understood that the acceptance by Sims of any letter agreement, including this Contract is in Sims's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Contract is acceptable to Sims, it is requested that Sims sign the form of acceptance below and mail to its regular business address or deliver by electronic delivery one of the counterparts hereof to the Purchaser. This will become a binding contract between Sims and the Purchaser when such counterpart is so mailed or delivered by Sims. This Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

Purchaser: _____

By: _____

Name: _____

Title: _____

Date: _____

Agreed and accepted:

Herbert J. Sims & Co. Inc.

By: _____

Name: _____

Title: _____

Date: _____

