

NEW ISSUE**Book-Entry Only****RATING: Not Rated**

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer and the Corporation described herein, interest on the Tax-Exempt Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Tax-Exempt Series 2021 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Tax-Exempt Series 2021 Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, including The City of New York. Interest on the Series 2021E Bonds is not excluded from gross income for federal income tax purposes and is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS – TAX-EXEMPT SERIES 2021 BONDS" and "TAX MATTERS – SERIES 2021E BONDS" herein regarding certain other tax considerations.

\$392,245,000*

**WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS (PURCHASE SENIOR LEARNING COMMUNITY INC. PROJECT),
SERIES 2021**

consisting of:**\$213,805,000*****Series 2021A Bonds****\$23,520,000*****Series 2021B****Entrance Fee Principal Redemption BondsSM****\$89,525,000*****Series 2021D****Entrance Fee Principal Redemption BondsSM****\$58,730,000*****Series 2021C****Entrance Fee Principal Redemption BondsSM****\$6,665,000*****Series 2021E****Taxable Entrance Fee Principal Redemption BondsSM****Dated: Date of Delivery****Due: July 1, as shown on the inside cover hereof**

The above referenced bonds (collectively, the "Series 2021 Bonds") are being issued by the Westchester County Local Development Corporation (the "Issuer") pursuant to an Indenture of Trust, dated as of November 1, 2021, by and between the Issuer and The Bank of New York Mellon, as bond trustee. The proceeds of the Series 2021 Bonds are being loaned to Purchase Senior Learning Community Inc. (the "Corporation") pursuant to a Loan Agreement, dated as of November 1, 2021, by and between the Issuer and the Corporation, for the purpose of providing funds to be used, along with available monies, to (i) finance the construction and equipping of a new senior living community to be known as "Broadview Senior Living at Purchase College" on an approximately 40-acre parcel of land on the campus of Purchase College, the State University of New York; (ii) refund the Issuer's \$15,000,000 Tax-Exempt Revenue Bond Anticipation Notes, Series 2018 (Purchase Senior Learning Community Inc. Project) (the "Series 2018 BANS"); (iii) fund the Corporation's initial working capital costs; (iv) fund a Debt Service Reserve Fund with separate accounts for each series of the Series 2021 Bonds; (v) fund capitalized interest in connection with the Series 2021 Bonds; and (vi) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (hereinafter referred to, collectively, as the "Project"). The obligation of the Corporation to make the payments under the Loan Agreement will be evidenced by a promissory note issued under the Loan Agreement and secured by an obligation issued under the Master Trust Indenture, dated as of November 1, 2021, by and between the Corporation, as the initial sole member of the obligated group thereunder, and The Bank of New York Mellon, in its capacity as master trustee. The Project and the sources of payment of, and security for, the Series 2021 Bonds are as described in this Official Statement.

The Series 2021 Bonds will bear interest from the date of delivery, payable (i) with regard to the Series 2021A Bonds, on each January 1 and July 1, commencing July 1, 2022, and (ii) with regard to the Series 2021B through Series 2021E Bonds, on each January 1, April 1, July 1 and October 1, commencing July 1, 2022. The Series 2021 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE SERIES 2021 BONDS" herein. The Series 2021 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2021 Bonds. Individual purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form and will be made in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Purchasers of beneficial interests in the Series 2021 Bonds will not receive certificates representing interests in the Series 2021 Bonds that they purchase. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2021 Bonds, references herein to the Bondholders or registered owners shall mean Cede & Co., rather than the beneficial owners of the Series 2021 Bonds. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of principal and premium, if any, and interest on the Series 2021 Bonds shall be made to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants and indirect participants.

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

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

Although the Series 2021 Bonds are not being issued under, and shall not be deemed to be issued under, Rule 144A of the Securities Act of 1933, as amended, the Series 2021 Bonds are being offered and sold hereby only to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act), "sophisticated municipal market professionals" as defined in Municipal Securities Rulemaking Board Rule D-15 (collectively, a "Qualified Institutional Buyer") or to "Accredited Investors" (as defined in Rule 501(a) under the Securities Act). The Series 2021 Bonds are subject to further transfer restrictions as defined herein. See "THE SERIES 2021 BONDS – Restrictions on Ownership and Transfer of the Series 2021 Bonds" and "RISK FACTORS – Limited Market for the Series 2021 Bonds" herein.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2021 Bonds are offered when, as and if issued and received by Herbert J. Sims & Co., Inc. (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Nixon Peabody LLP, New York, New York, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by its counsel, BurgherGray LLP, New York, New York; for the Corporation by its counsel, DelBello Donnellan Weingarten Wise & Wiederkehr LLP, White Plains, New York; and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, New York, New York. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of DTC on or about November __, 2021.



Dated: October __, 2021

* Preliminary, subject to change.

\$392,245,000*
WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS
(PURCHASE SENIOR LEARNING COMMUNITY INC. PROJECT),
SERIES 2021

\$213,805,000* SERIES 2021A BONDS

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

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

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

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

\$23,520,000* SERIES 2021B ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

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

\$58,730,000* SERIES 2021C ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

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

\$89,525,000* SERIES 2021D ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

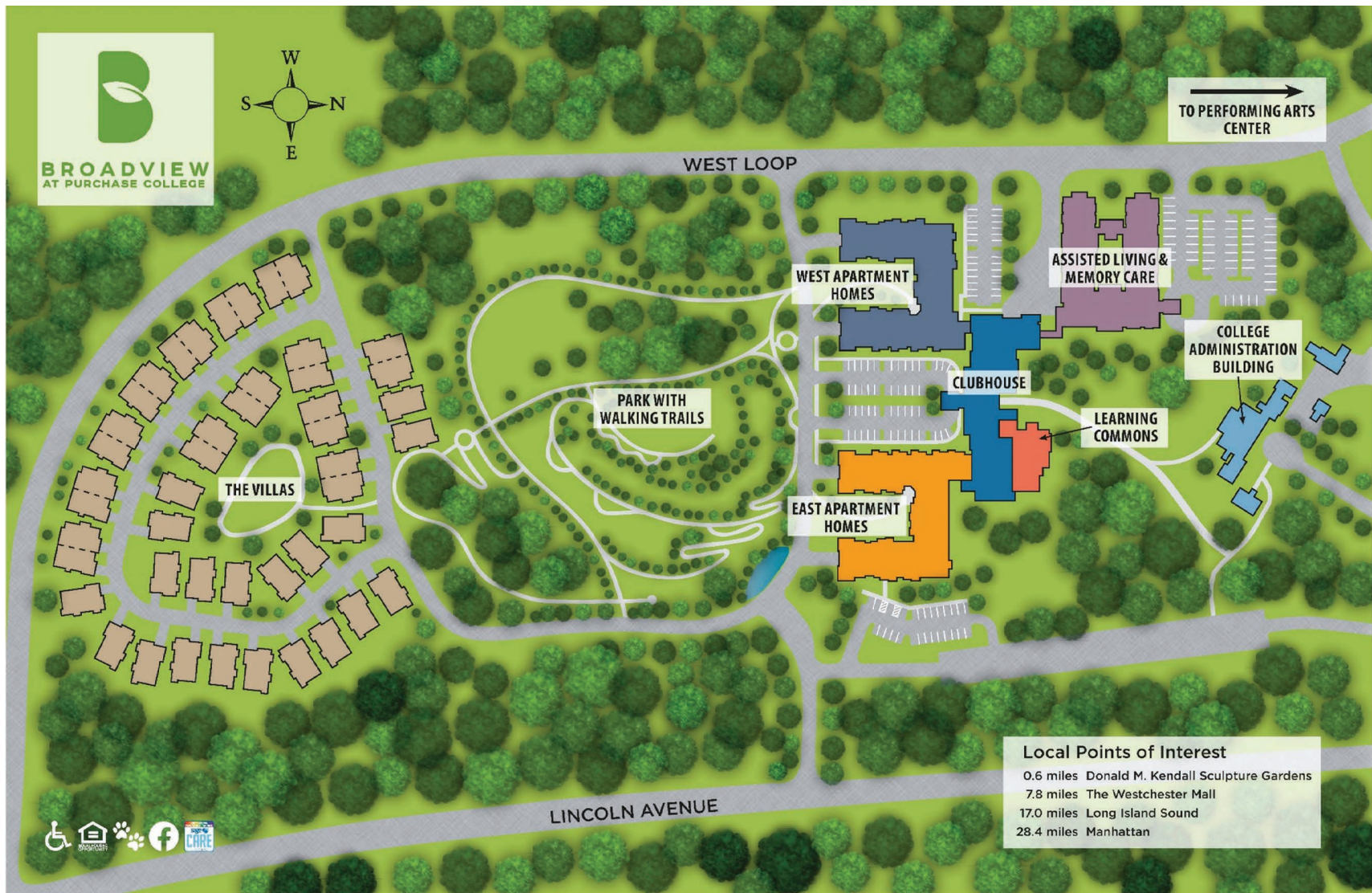
____% Term Bonds due July 1, 20__, Yield _____%, CUSIP No. † _____

\$6,665,000* SERIES 2021E TAXABLE ENTRANCE FEE PRINCIPAL REDEMPTION BONDS

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

* Preliminary, subject to change.

† Copyright, American Bankers Association. CUSIP data herein are provided by S&P Global Ratings, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2021 Bonds and neither the Corporation nor the Underwriter makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.





Community Entrance Rendering



Clubhouse Entrance Rendering



Clubhouse Lobby Rendering



Main Dining Room Rendering



Hearth Dining Room Rendering



Learning Commons Rendering



Apartment Living Room Rendering



Villa Rendering



Outdoor Café Dining Rendering



Learning Commons Entrance Rendering

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SUMMARY STATEMENT

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

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

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION (the "Issuer") is a not-for-profit local development corporation in the State of New York, established in accordance with Section 1411 of the New York Not-For-Profit Corporation Law (the "Act"), as amended and supplemented, for the purpose of promoting the economic welfare of the inhabitants of the County of Westchester and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration. See "THE ISSUER" herein.

THE SERIES 2021 BONDS. The Issuer proposes to issue \$392,245,000* aggregate principal amount of its Revenue Bonds (Purchase Senior Learning Community Inc. Project), Series 2021 (collectively, the "Series 2021 Bonds"), consisting of (i) \$213,805,000* Series 2021A Bonds (the "Series 2021A Bonds"), (ii) \$23,520,000* Series 2021B Entrance Fee Principal Redemption Bonds (the "Series 2021B Bonds"), (iii) \$58,730,000* Series 2021C Entrance Fee Principal Redemption Bonds (the "Series 2021C Bonds"), (iv) \$89,525,000* Series 2021D Entrance Fee Principal Redemption Bonds (the "Series 2021D Bonds") and (v) \$6,665,000* Series 2021E Taxable Entrance Fee Principal Redemption Bonds (the "Series 2021E Bonds"). The Series 2021 Bonds will be dated the date of delivery (the "Closing Date").

The Series 2021 Bonds shall be issued by the Issuer pursuant to the Act, a resolution of the Issuer adopted by the governing body of the Issuer on September 28, 2021, and an Indenture of Trust, dated as of November 1, 2021 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon, as bond trustee (the "Bond Trustee"). The Series 2021 Bonds are being issued to provide for (i) the financing of the construction and equipping of a new senior living community to be known as "Broadview Senior Living at Purchase College" on an approximately 40.05-acre parcel of land on the campus of Purchase College, State University of New York consisting initially of one hundred seventy-four (174) independent living apartments, including forty-four (44) affordable independent living apartments (the "Affordable Apartments"), forty-six (46) independent living villas (collectively, with the 174 independent living apartments, and the Affordable Apartments, the "Independent Living Units"), thirty-six (36) assisted-living beds and thirty-two (32) memory care beds, related support spaces, and a building containing community and amenity space, including a learning commons, all totaling approximately 552,000 square feet of finished space (collectively, the "Phase I Project"); (ii) the refunding of the Issuer's \$15,000,000 Tax-Exempt Revenue Bond Anticipation Notes, Series 2018 (Purchase Senior Learning Community Inc. Project) (the "Series 2018 BANS") plus accreted interest in an approximate amount of \$6,000,000; (iii) funding the Corporation's initial working capital costs; (iv) funding of a Debt Service Reserve Fund with separate accounts for each series of the Series 2021 Bonds; (v) funding capitalized interest in connection

* Preliminary, subject to change.

with the Series 2021 Bonds; and (vi) payment of certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the “Project”). See “THE SERIES 2021 BONDS” herein.

PURCHASE SENIOR LEARNING COMMUNITY INC. (the “Corporation”) is a New York not-for-profit corporation created to assist in the development and operation on the Project Site (as defined herein) of a senior residential community (the “Community”). Upon the completion of the Phase I Project, the Community will initially consist of (i) a building including the two hundred-twenty (220) Independent Living Units, the thirty-six (36) assisted living beds, the thirty-two (32) memory care beds and related support spaces, (ii) a building containing community and amenity space, and (iii) up to forty-six (46) one-story, detached and semi-detached villas. The Project Site is owned by the State University of New York (“SUNY”), and is ground leased by SUNY to Purchase College Advancement Corporation (“PCAC”) pursuant to the Ground Lease (as defined herein) and subleased to the Corporation pursuant to a Sublease Agreement (as defined herein). The Corporation has been determined by the Internal Revenue Service to be exempt from federal income taxation as an organization described in Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”). See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC.” and APPENDIX B – “FINANCIAL FEASIBILITY STUDY” hereto for further information on the Corporation and the Community.

PURCHASE COLLEGE ADVANCEMENT CORPORATION. The sole member of the Corporation is Purchase College Advancement Corporation, which is a New York not-for-profit corporation and an organization exempt from federal income taxation pursuant to the Code, as an organization that is described in Section 501(c)(3) of the Code. PCAC was organized in 2004 for the purposes of the development and operation of the Community in accordance with the Enabling Act (as defined herein). See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC.” and APPENDIX B – “FINANCIAL FEASIBILITY STUDY” hereto for further information on PCAC.

PURCHASE COLLEGE. Purchase College, State University of New York (the “College”), a public four-year college of arts, liberal arts and sciences, was founded in 1967 and is one of the 13 comprehensive colleges of the State University of New York (“SUNY”) system. To support and advance the educational mission of the College, the New York State legislature enacted Chapter 405 of Laws of New York of 2011 (as amended by Chapter 257 of the Laws of New York of 2016 (the “Enabling Act”), authorizing a 75-year ground lease of approximately 40.05 acres of land on the campus of the College (the “Project Site”) to PCAC. SUNY and PCAC entered into a Ground Lease of the Project Site, dated as of March 3, 2017 (the “Ground Lease”).

MARKETING AND PRESALES. The marketing and sale of the Independent Living Units of the Community is subject to New York State regulations (13 NYCRR Section 25.1 – Newly Constructed or Vacant Senior Residential Communities). The Corporation submitted a proposed offering plan (the “Offering Plan”) to the Office of the Attorney General of the State of New York on September 5, 2018, which was approved on March 4, 2019. Commencing in October 2018, the Corporation initiated a priority program in which qualified potential residents were invited to information seminars or one-on-one meetings with sales staff. Prospects then had the opportunity to become “Overture Members” by providing relevant personal and financial information and signing an Overture Agreement. In early 2019, following approval of the Offering Plan by the Attorney General’s office, Overture Members were converted to sales by having them enter into a Residency Agreement and make a deposit; for an Affordable Apartment, the required deposit was initially in the amount of \$10,000 but under the most recent form of Residency Agreement the deposit for an Affordable Apartment is equal to 5% of the Entrance Fee, and for any other selected Independent Living Units the deposit is equal to 10% of the Entrance Fee. As of September 30, 2021, the Corporation has received 184 deposits (83%) of the 220 Independent Living Units in the Phase I Project. The marketing program is administered by a marketing director who oversees the marketing program and daily activities of the sales team. See APPENDIX A – “PURCHASE SENIOR LEARNING

COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – Marketing Program and Strategy” and APPENDIX B – “FINANCIAL FEASIBILITY STUDY” hereto.

ENTRANCE FEES AND MONTHLY FEES; RESIDENCY AGREEMENT. Residents of the Independent Living Units will pay the remainder of the Entrance Fee (generally, 95% for Affordable Apartments; 90% for all other Independent Living Units) upon admission into the Community. Residents will also pay a monthly fee for services (“Monthly Fees”). Independent Living Unit residents will occupy their units pursuant to a Residency Agreement. Residents have the right to rescind the Residency Agreement within seven (7) days after it is executed, and the right to terminate the Residency Agreement for any reason prior to occupancy, without penalty or forfeiture. Following occupancy, the Residency Agreement may be terminated by the Resident at any time, without cause, or by the Corporation for cause as defined in the Residency Agreement. If a Residency Agreement is terminated, the resident or their estate will receive a refund of the Entrance Fee consisting of 100% of the amount originally paid if the resident terminates within four (4) months of initial occupancy, 90% of the amount originally paid within thirty (30) days of the earlier to occur of (i) re-occupancy of the Independent Living Unit and full payment by the new resident of the Entrance Fee, or (ii) 24 months after the date of termination, subject to offsets for any outstanding unpaid fees incurred during residency. See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – THE COMMUNITY – Entrance Fees and Monthly Fees” and RESIDENCY AGREEMENT – The Residency Agreement” hereto.

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

The obligation of the Corporation to repay the loan of the proceeds of the Series 2021 Bonds from the Issuer will be secured by a certain obligation (the “Series 2021 Obligation”) issued under and entitled to the benefit and security of a Master Trust Indenture, dated as of November 1, 2021 (the “Master Trust Indenture”), between the Corporation, as the initial sole member of the obligated group described therein (the “Obligated Group”) and as the Obligated Group Agent (as defined therein), and The Bank of New York Mellon, in its role as master trustee (the “Master Trustee”), as supplemented from time to time, including by the Supplemental Master Indenture No. 1, dated as of November 1, 2021 (the “Supplemental Indenture” and together with the Master Trust Indenture, the “Master Indenture”), between the Corporation and the Master Trustee. See “SECURITY FOR THE SERIES 2021 BONDS – The Master Indenture and the Mortgages” herein. See also “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture” in APPENDIX C hereto.

The Series 2021 Obligation will be secured by (i) the lien on the real property comprising the Community (the “Mortgaged Property”) created by a Building Loan Leasehold Mortgage and Security Agreement, dated as of November 1, 2021 (the “Building Loan Mortgage”), by the Corporation in favor of the Issuer, which Building Loan Mortgage is to be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Leasehold Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Building Loan Mortgage”), from the Issuer to the Master Trustee, (ii) the lien on the Mortgaged Property created by a Project Loan Mortgage and Security Agreement, dated as of November 1, 2021 (the “Project Loan Mortgage”), by the Corporation in favor of the Issuer, which Project Loan Mortgage is to be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Project Loan Mortgage”), and (iii) a pledge of Gross Revenues of each of the Obligated Group Members under the Master Indenture. To finance a portion of the costs of the Community, the proceeds secured by the Building Loan Mortgage (the “Building Loan Proceeds”) will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated as of November 1, 2021, among the Corporation, the Issuer and the Master

Trustee (the “Building Loan Agreement”), the provisions of the Bond Indenture and a certain Construction Disbursement and Monitoring Agreement (the “Construction Monitoring Agreement”), dated as of November 1, 2021, by and among the Corporation, Alcala Construction Management, Inc., as Construction Monitor (the “Construction Monitor”), and the Bond Trustee, to pay for some or all of the direct cost of construction of the Community (collectively, the “Construction Costs”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the mortgaged property described in the Building Loan Mortgage. The Corporation may grant liens on the Mortgaged Property on a parity basis with the Building Loan Mortgage and the Project Loan Mortgage to the Master Trustee under the Master Indenture as additional security for future Obligations.

The Series 2021 Bonds will be further secured by the Collateral Assignment of Construction Document Review and Inspection Agreements, the Collateral Assignment of Civil Engineer and Landscape Architect Agreement, the Collateral Assignment of Design Agreement, the Collateral Assignment of Management Agreement, the Collateral Assignment of Environmental Services Agreement, the Collateral Assignment of Guaranteed Maximum Price Contract, the Collateral Assignment of Advertising Services Agreement, the Collateral Assignment of Development Consulting Agreement, the Collateral Assignment of Construction Monitoring Agreement, the Collateral Assignment of Feasibility Consultant Contract, and the Collateral Assignment of Residency Agreements, each dated as of November 1, 2021, and each between the Company and the Master Trustee.

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

DEBT SERVICE RESERVE FUND. A Debt Service Reserve Fund and within such Fund, an account for each series of the Series 2021 Bonds, will be established under the Bond Indenture. Accounts of the Debt Service Reserve Fund will be funded upon the issuance of the Series 2021 Bonds in connection with each series of the Series 2021 Bonds, with respect to the Series 2021A Bonds, an amount equal to the least of (i) ten percent (10%) of the proceeds the Series 2021A Bonds, (ii) one hundred twenty five percent (125%) of the average annual Debt Service Payments in all future Fiscal Years on the Series 2021A Bonds, or (iii) one hundred percent (100%) of the Maximum Annual Debt Service in all Fiscal Years on the Series 2021A Bonds and with respect to the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds (collectively, the “Entrance Fee Redemption Bonds”), an amount equal to one hundred percent (100%) of the maximum interest payments due in all Fiscal Years, after Fiscal Year

ending June 30, 2022, on such series of the Entrance Fee Redemption Bonds, respectively. Each Debt Service Reserve Fund Account will be held for the benefit of only the Bondholders of the applicable series of the Series 2021 Bonds and is available for payment of the principal of and interest on such corresponding series of the Series 2021 Bonds if payments by the Corporation are insufficient therefor. See “SECURITY FOR THE SERIES 2021 BONDS – Debt Service Reserve Fund” herein and APPENDIX C - “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture” for a further description of the Debt Service Reserve Fund.

CUMULATIVE CASH LOSS COVENANT. The Obligated Group covenants under the Supplemental Indenture to maintain a maximum Cumulative Cash Loss (as defined in Appendix C hereto) for each fiscal quarter commencing with the first full fiscal quarter following the Initial Occupancy Date through Stabilization, of no greater than certain specified amounts set forth in the Supplemental Indenture. See “SECURITY FOR THE SERIES 2021 BONDS – Cumulative Cash Loss Covenant” herein and APPENDIX C – “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture” for a further description, including a description of the actions required to be taken if such covenant is not met.

DEBT SERVICE COVERAGE RATIO COVENANT. The Obligated Group agrees that, commencing with the earlier of (A) the first full fiscal quarter following Stabilization or (B) the fiscal quarter ending June 30, 2026, the Obligated Group Agent will calculate the Historical Debt Service Coverage Ratio of the Obligated Group as of each Testing Date (provided that for the first three Testing Dates that the Historical Debt Service Coverage Ratio is required to be computed, the Historical Debt Service Coverage Ratio shall be calculated on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed). If the Historical Debt Service Coverage Ratio is less than 1.20 at the end of any Fiscal Year, the Corporation is required to prepare a report and plan and, under the circumstances described in the Master Indenture, to retain a Consultant to prepare a report and plan, detailing the reasons for such deficiency and the proposed actions to increase the Historical Debt Service Coverage Ratio to the required level on the earliest practicable date. See “SECURITY FOR THE SERIES 2021 BONDS – Debt Service Coverage Ratio Covenant” herein and APPENDIX C – “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture – Rates and Charges” for a further description of the Debt Service Coverage Ratio Covenant, including a description of the actions required to be taken if such covenant is not met.

LIQUIDITY COVENANT. The Obligated Group covenants that it will calculate the Days’ Cash on Hand of the Obligated Group semiannually as of June 30 and December 31, commencing with the first semiannual Testing Date that follows the earlier of Stabilization or June 30, 2026. The Corporation is required to conduct its business so that on each semiannual Testing Date the Obligated Group shall have no less than 175 Days’ Cash on Hand (the “Liquidity Requirement”). See “SECURITY FOR THE SERIES 2021 BONDS – Liquidity Covenant” herein and APPENDIX C - “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture – Liquidity Covenant” for a further description, including a description of the actions required to be taken if such covenant is not met.

MARKETING AND OCCUPANCY REQUIREMENTS. The Supplemental Indenture requires that the Obligated Group use its best efforts to execute Residency Agreements and collect deposits payable upon execution of the Residency Agreements so that the percentage of the total Independent Living Units which are the subject of Residency Agreements and for which the required deposit has been paid, including Occupied Independent Living Units, shall be in compliance with certain Marketing Requirements. The Obligated Group also covenants that for each fiscal quarter commencing with the first full fiscal quarter following the Initial Occupancy Date, and ending with the first full fiscal quarter following Stabilization, the Obligated Group will use its best efforts to maintain the number and percentage of Occupied Independent Living Units, execute Residency Agreements and collect Entrance Fees so that the percentage of the total of number of all Independent Living Units in the Phase I Project (as defined herein) for which

a Residency Agreement has been executed and all related Entrance Fees and Monthly Fees have been paid shall be in compliance with certain Occupancy Requirements. See “SECURITY FOR THE SERIES 2021 BONDS - Marketing Requirements” and - Occupancy Requirements” for a further description of the Marketing and Occupancy Requirements, including a description of the actions required to be taken if such covenants are not met.

LIQUIDITY SUPPORT AGREEMENT. Pursuant to a Liquidity Support Agreement, dated the Closing Date (the “Liquidity Support Agreement”), by and among PCAC, as liquidity provider (the “Liquidity Provider”), the Corporation and the Master Trustee, the Liquidity Provider agrees that Initial Entrance Fees in an amount up to \$10,000,000, which represents a portion of the amounts owed by the Corporation to the Liquidity Provider as Base Rent (as defined in the Sublease Agreement) under the Sublease Agreement payable from Entrance Fees during the Lease Years (as defined in the Sublease Agreement) 3 - 9 of the term of the Sublease Agreement, will be deposited by the Corporation into a Liquidity Support Fund held by the Bond Trustee, provided, however, that all of such amounts are subject to being released pursuant to the Liquidity Support Agreement (the “Support Obligation”).

Funds held in the Liquidity Support Fund may be transferred to the Working Capital Fund to maintain no less than \$2,500,000 on deposit in the Working Capital Fund. To the extent amounts are drawn from the Liquidity Support Fund to replenish the Working Capital Fund under the Bond Indenture, and amounts released from the Liquidity Support Fund are not sufficient to pay amounts of Base Rent to be paid from Entrance Fees, the Corporation will be required to pay the Liquidity Provider any such deficiency as back rent, provided, pursuant to the Sublease Agreement, no interest will be due on any such back rent and such back rent will be payable by the Corporation before it pays any additional rent under the Sublease Agreement.

The amounts on deposit in the Liquidity Support Fund will be released to the Liquidity Provider upon the occurrence of the following events, and upon release the Liquidity Provider will not have an obligation to re-deposit any such released funds into the Liquidity Support Fund: (i) when the Series 2021E Bonds and the Series 2021D Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 50%, the Bond Trustee will release \$1,250,000 from the Liquidity Support Fund to the Liquidity Provider; (ii) when the Series 2021C Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 75%, the Bond Trustee will release an additional \$1,250,000 from the Liquidity Support Fund to the Liquidity Provider; (iii) when the Series 2021B Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 85%, the Bond Trustee will release an additional \$2,500,000 from the Liquidity Support Fund to the Liquidity Provider; (iv) when the Series 2021B Bonds are no longer Outstanding, and upon (A) certification from an authorized representative of the Corporation and the Obligated Group certifying satisfaction of the following, (I) the Debt Service Ratio Covenant (and accordingly, that the Historical Debt Service Coverage Ratio was equal to or greater than the Debt Service Coverage Ratio Requirement), as of the four (4) immediately preceding consecutive Testing Dates, and (II) the Liquidity Covenant, (and accordingly, the Obligated Group had no less than 175 Days’ Cash on Hand) as of the two (2) immediately preceding consecutive Testing Dates; and (B) no Event of Default has occurred and is continuing under Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement, the Bond Trustee will release all remaining funds on deposit in the Liquidity Support Fund. See “SECURITY FOR THE SERIES 2021 BONDS – Liquidity Support Agreement” herein.

DEVELOPMENT CONSULTANT AGREEMENT. LCSD/SCD Partners, LLC (the “Development Consultant”) and PCAC entered into a development consulting agreement (the “Development Consulting Agreement”) on August 12, 2014, assigned to the Corporation by an Assignment

and Assumption Agreement dated April 1, 2018 (the “Assignment Agreement”), and further amended on December 21, 2018. Pursuant to the Development Consulting Agreement, the Development Consultant is expected to provide development consulting services for the Community and to market the Independent Living Units until 90 percent occupancy is achieved. See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – Development Consulting Agreement” and APPENDIX B – “FINANCIAL FEASIBILITY STUDY” hereto.

MANAGEMENT AGREEMENT. PCAC has entered into a Management Agreement, dated as of June 15, 2017 with Life Care Services LLC dba Life Care Services (“LCS”), which was assigned by PCAC to the Corporation by the Assignment Agreement, and amended and restated as of August 13, 2018 (the “Management Agreement”), whereby LCS is to provide management and operational services to the Community. Under the Management Agreement, LCS is responsible for (i) recruiting, hiring, and training an executive director; (ii) beginning upon 90 percent initial occupancy of the Community, developing a marketing program, assisting with hiring and training of marketing personnel, monitoring occupancy levels, working with outside communication firm, and recommending specific procedures and promotions; (iii) establishing and maintaining a system of financial controls; (iv) recommending personnel policies, procedures, compensation and benefit plans, appraisal and goal setting programs, training programs, as well as other personnel related functions; (v) designing and monitoring of performance criteria related to the operation of the Community, the satisfaction and welfare of residents, and the effectiveness in integrating with the College, and (vi) providing additional services including, but not limited, to pre-financing consulting services related to financial projections and design of the Community, and pre-opening services including developing and implementing an operational plan. The Management Agreement expires 120 months (10 years) after the commencement of the Management Agreement, as amended on August 13, 2018 (the “Commencement Date”). See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – The Manager and Management Agreement” and APPENDIX B – “FINANCIAL FEASIBILITY STUDY” hereto.

CONSTRUCTION MONITOR. The Construction Monitor has been engaged to: (i) review and certify 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) review change orders, budget amendments, updates to the construction schedule, releases of liens, governmental approvals and the final as-built survey. Commencing after the issuance of the Series 2021 Bonds until Stabilization, the Construction Monitor will prepare monthly reports on the progress showing the dollar amount and percentage of completion of each stage of construction, comparing such amounts to the amounts estimated in the schedule of values and construction progress schedule delivered on the Closing Date, estimating the amount of funds required to complete the Phase I Project, and certifying that the amount available in the Construction Fund established for the Series 2021 Bonds will be sufficient to pay the costs of completing the Phase I Project financed or refinanced with the proceeds of the Series 2021 Bonds. The monthly reports will be posted by the Corporation as part of its reporting requirements under the Master Indenture. See APPENDIX A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DESIGN AND CONSTRUCTION OF BROADVIEW – Construction Monitor” and APPENDIX C - “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture – Financial Statements and Related Matters.”

FINANCIAL FEASIBILITY STUDY. Dixon Hughes Goodman LLP, independent auditors, has prepared a Financial Feasibility Study dated October 1, 2021 (the “Feasibility Study”) which is included in Appendix B hereto. The Feasibility Study includes the financial forecast by the Corporation's management (“Management”) for the six years ending June 30, 2027. As stated in the Feasibility Study, there will usually be differences between the forecasted and actual results because events and circumstances

frequently do not occur as expected, and those differences may be material. The Feasibility Study does not assume that the Liquidity Support Agreement will be drawn down. The Feasibility Study should be read in its entirety, including all notes and assumptions set forth therein.

The tables below reflect the forecasted Historical Debt Service Coverage Ratio and the forecasted Days Cash on Hand for the year ending June 30, 2027. The tables below have been extracted from the Feasibility Study included in Appendix B hereto.

Long-Term Debt Service Coverage Ratio	2027
Change in net deficit	\$ (7,995)
Deduct:	
Entrance fee amortization	(3,180)
Add:	
Depreciation	8,820
Interest expense	9,443
Amortization - Subordinate Ground Sublease	712
Interest expense - Subordinate Ground Sublease	3,072
Entrance fees received - attrition (non-refundable)	1,688
Entrance fees received - attrition (refundable)	15,188
Entrance fees refunded	(9,108)
Income Available for Debt Service	\$ 18,640
Maximum Annual Debt Service ^(a)	\$ 13,565
Maximum Annual Debt Service Coverage Ratio	1.37x

Days Cash on Hand	2027
Cash, cash equivalents and investments	\$ 37,328
Cash on hand	\$ 37,328
Total expenses	\$ 44,411
Less:	
Depreciation	(8,820)
Amortization - Subordinate Ground Sublease	(712)
Interest expense - Subordinate Ground Sublease	(3,072)
Amortization of deferred financing costs	(255)
Amortization of original issue premium	1,502
Total expenses less depreciation and amortization	\$ 33,054
Daily operating expenses ^(b)	91
Days cash on hand	410

(a) Forecasted Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year, other than the debt service requirements on the Series 2021B/C/D Bonds and the Series 2021E Bonds and excludes the principal and interest payments on the Series 2021A Bonds due July 1, 2056.

(b) Daily cash expenses are equal to total operating expenses less depreciation, amortization, and Subordinate Ground Sublease interest expense divided by 365 days.

The above tables should be considered in conjunction with the entire Feasibility Study, included in Appendix B hereto, to understand the Corporation's financial requirements and the assumptions upon which the Feasibility Study is based. The achievement of any financial forecast is dependent upon future events

the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from Management's forecast. Such variation could be material. See the Feasibility Study in Appendix B hereto.

CERTAIN BONDHOLDERS' RISKS. AN INVESTMENT IN THE SERIES 2021 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE HOLDER OF THE SERIES 2021 BONDS IS ADVISED TO READ THE SECTIONS "SECURITY FOR THE SERIES 2021 BONDS" AND "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2021 BONDS. Careful consideration should be given to these risks and other risks described elsewhere in this Official Statement. Among other things, because the Series 2021 Bonds are payable solely from the revenues of the Corporation and other moneys pledged to such payment, careful evaluation should be made of Management's assumptions and the rationale described in the Feasibility Study, and certain factors (including, but not limited to, the ability of the Corporation to attract residents and enter into Residency Agreements and manage the Community in a manner which maintains high occupancy levels), that may adversely affect the ability of the Corporation to generate sufficient revenues to pay its expenses of operation, including the principal or redemption price of and interest on the Series 2021 Bonds.

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

Although the Series 2021 Bonds are not being issued under, and shall not be deemed to be issued under, Rule 144A of the Securities Act of 1933, as amended, the Series 2021 Bonds are being offered and sold hereby only to "Qualified Institutional Buyers" (as defined in Rule 144A of the Securities Act), "sophisticated municipal market professionals" as defined in Municipal Securities Rulemaking Board Rule D-15 (collectively, a "Qualified Institutional Buyer") or to "Accredited Investors" (as defined in Rule 501(a) under the Securities Act). The Series 2021 Bonds are subject to further transfer restrictions as defined herein. See "THE SERIES 2021 BONDS – Restrictions on Ownership and Transfer of the Series 2021 Bonds" and "RISK FACTORS – Limited Market for the Series 2021 Bonds" herein.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this

transaction, but the Underwriter does not guarantee the accuracy or completeness of such information, and this Official Statement is not to be construed as the promise or guarantee of the Underwriter.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2021 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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

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OFFICIAL STATEMENT

Relating To

\$392,245,000*

**WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE BONDS (PURCHASE SENIOR LEARNING COMMUNITY INC. PROJECT),
SERIES 2021**

Consisting of

\$213,805,000* Series 2021A Bonds

**\$23,520,000* Series 2021B Entrance Fee
Principal Redemption BondsSM**

**\$58,730,000* Series 2021C
Entrance Fee Principal Redemption BondsSM**

**\$89,525,000* Series 2021D Entrance Fee
Principal Redemption BondsSM**

**\$6,665,000* Series 2021E
Taxable Entrance Fee Principal Redemption
BondsSM**

INTRODUCTION

This Official Statement, including the cover page and appendices, sets forth certain information in connection with the issuance and sale of the Revenue Bonds (Purchase Senior Learning Community Inc. Project), Series 2021 (collectively, the “Series 2021 Bonds”), consisting of \$213,805,000* Series 2021A Bonds (the “Series 2021A Bonds”), \$23,520,000* Series 2021B Entrance Fee Principal Redemption Bonds (the “Series 2021B Bonds”), \$58,730,000* Series 2021C Entrance Fee Principal Redemption Bonds (the “Series 2021C Bonds”), \$89,525,000* Series 2021D Entrance Fee Principal Redemption Bonds (the “Series 2021D Bonds”), and \$6,665,000* Series 2021E Taxable Entrance Fee Principal Redemption Bonds (the “Series 2021E Bonds”) of Westchester County Local Development Corporation (the “Issuer”), a local development corporation in the State of New York (the “State”), existing under Section 1411 of the Not-for-Profit Corporation Law of the State (the “Act”). The Series 2021 Bonds will be issued under and be secured by an Indenture of Trust, dated as of November 1, 2021 (the “Bond Indenture”), by and between the Issuer and The Bank of New York Mellon, as bond trustee (the “Bond Trustee”). The Bond Trustee is also the Bond Registrar and Paying Agent for the Series 2021 Bonds. The Series 2021 Bonds will be dated the date of delivery, which is expected on or about November __, 2021 (the “Closing Date”). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings specified in Appendix C hereto – “SUMMARIES OF PRINCIPAL DOCUMENTS” attached hereto.

Proceeds of the Series 2021 Bonds will be loaned by the Issuer to Purchase Senior Learning Community Inc. (the “Corporation”) pursuant to a Loan Agreement, dated as of November 1, 2021 (the “Loan Agreement”), between the Issuer and the Corporation, and will be used, together with other available moneys, to provide for (i) the financing of the construction and equipping of a new senior residential community to be known as “Broadview Senior Living at Purchase College” on an approximately 40.05-acre parcel of land on the campus of Purchase College, State University of New York consisting initially of one hundred seventy-four (174) independent living units, including forty-four (44) affordable independent living apartments (the “Affordable Apartments”), and forty-six (46) independent living villas (collectively, with the 174 independent living apartments and the Affordable Apartments, the “Independent Living Units”), thirty-six (36) assisted-living beds and thirty-two (32) memory care beds, related support

* Preliminary, subject to change.

spaces, and a building containing community and amenity space, including a “learning commons”, all totaling approximately 552,000 square feet of finished space (the “Phase I Project”); (ii) the refunding of the Issuer’s \$15,000,000 Tax-Exempt Revenue Bond Anticipation Notes, Series 2018 (Purchase Senior Learning Community Inc. Project) plus accreted interest in an approximate amount of \$6,000,000 (the “Series 2018 BANS”); (iii) funding the Corporation’s initial working capital costs; (iv) funding of a Debt Service Reserve Fund with separate accounts for each series of the Series 2021 Bonds; (v) funding capitalized interest in connection with the Series 2021 Bonds; and (vi) payment of certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the “Project”). See “THE CORPORATION AND THE COMMUNITY” herein.

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

The obligation of the Corporation to repay the loan of the proceeds of the Series 2021 Bonds from the Issuer will be secured by a certain obligation (the “Series 2021 Obligation”), under and entitled to the benefit and security of a Master Trust Indenture, dated as of November 1, 2021 (the “Master Trust Indenture”), between the Corporation, as the initial sole member of the obligated group described therein (the “Obligated Group”) and as the initial Obligated Group Agent, and The Bank of New York Mellon, in its role as the Master Trustee (the “Master Trustee”), as supplemented from time to time, including by the Supplemental Master Indenture No. 1, dated as of November 1, 2021 (the “Supplemental Indenture” and together with the Master Trust Indenture, the “Master Indenture”), between the Corporation and the Master Trustee. See “SECURITY FOR THE SERIES 2021 BONDS – The Master Indenture and the Mortgages” herein. See also “SUMMARIES OF PRINCIPAL DOCUMENTS – The Master Indenture” in Appendix C hereto. The Series 2021 Obligation will be assigned by the Issuer to the Bond Trustee pursuant to the Bond Indenture as security for the Series 2021 Bonds.

The Series 2021 Obligation will be secured by (i) the lien on the real property comprising the Community (the “Mortgaged Property”) created by a Building Loan Leasehold Mortgage and Security Agreement, dated as of November 1, 2021 (the “Building Loan Mortgage”), by the Corporation in favor of the Issuer, which Building Loan Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Leasehold Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Building Loan Mortgage”), from the Issuer to the Master Trustee, (ii) the lien created by a Project Loan Mortgage and Security Agreement, dated as of November 1, 2021 (the “Project Loan Mortgage”), by the Corporation in favor of the Issuer, which Project Loan Leasehold Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Project Loan Mortgage and Security Agreement, dated the Closing Date (the “Assignment of Project Loan Mortgage”), and (iii) a pledge of Gross Revenues of each of the Obligated Group Members under the Master Indenture. To finance a portion of the costs of the Community, the proceeds secured by the Building Loan Mortgage (the “Building Loan Proceeds”) will be advanced from time to time pursuant to the provisions of the Building Loan Agreement, dated as of November 1, 2021 among the Corporation, the Issuer and the Master Trustee (the “Building Loan Agreement”) to pay for some or all of the direct cost of construction or renovation of the Community (collectively, the “Construction Costs”); provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the mortgaged property described in the Building Loan Mortgage. The Corporation may grant liens on the Mortgaged Property on a parity basis with the Building Loan Mortgage and the Project Loan Mortgage to the Master Trustee under the Master Indenture as additional security for future Obligations.

The Series 2021 Bonds will be further secured by the Collateral Assignment of Construction Document Review and Inspection Agreements, the Collateral Assignment of Civil Engineer and Landscape

Architect Agreement, the Collateral Assignment of Design Agreement, the Collateral Assignment of Management Agreement, the Collateral Assignment of Environmental Services Agreement, the Collateral Assignment of Guaranteed Maximum Price Contract, the Collateral Assignment of Advertising Services Agreement, the Collateral Assignment of Development Consulting Agreement, the Collateral Assignment of Construction Monitoring Agreement, the Collateral Assignment of Feasibility Consultant Contract, and the Collateral Assignment of Residency Agreements, each dated as of November 1, 2021, and each between the Company and the Master Trustee

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

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

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

The Series 2021 Bonds are subject to redemption prior to maturity, as described under the caption “THE SERIES 2021 BONDS.”

The purchase of the Series 2021 Bonds involves a significant degree of risk. Prospective purchasers should carefully consider the material under the caption “RISK FACTORS” herein. See “THE SERIES 2021 BONDS – Transfer, Registration and Exchange” for limitations on sale and exchange of Series 2021 Bonds.

The forms of the Bond Indenture, Master Indenture and the Loan Agreement (collectively, the “Principal Documents”) are included in Appendix C hereto – “SUMMARIES OF PRINCIPAL

DOCUMENTS.” All references to the Series 2021 Bonds, the Bond Indenture, the Master Indenture and the Loan Agreement are qualified in their entirety by the definitive forms thereof. The forms of the Principal Documents may be subject to modification prior to the closing. A copy of the final forms of the Principal Documents are available from the Bond Trustee.

THE ISSUER

General

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

Purpose and Powers

The Issuer, which was created in 2012, is a not-for-profit local development corporation having an office for the transaction of business located at 148 Martine Avenue, White Plains, New York 10601. The Issuer was formed pursuant to the Act for the purpose of providing financial and other assistance for capital projects undertaken by not-for-profit corporations and, pursuant to subsequent amendments to its Charter, public benefit corporations, relieving and reducing unemployment, promoting and providing for maximum employment and bettering and maintaining job opportunities in the County and lessening the burdens of government on the County.

Pursuant to its Charter, its By-laws and under the Act, the Issuer has the power to (i) provide financial and other assistance for capital projects undertaken by not-for-profit and public benefit corporations including the issuance of bonds, notes and other obligations; (ii) refinance bonds originally issued by other bond issuers for not-for-profit corporations and public benefit corporations; (iii) provide financial assistance (subject to applicable law) in the form of exemptions from real property taxes, mortgage recording taxes and/or sales and use taxes; and (iv) take any and all actions that may be necessary or advisable in furtherance of the foregoing, including the power to acquire, construct, renovate, equip, lease or sell such projects and collect lease and installment sale payments.

The Issuer has heretofore issued obligations to finance projects for not-for-profit entities and a public benefit corporation with respect to facilities located in the County. All such obligations were issued pursuant to instruments separate and apart from the Bond Indenture, and are secured by and payable from assets separate and apart from those securing, and constituting the source of payment for, the Series 2021 Bonds.

Limited Recourse on Series 2021 Bonds and the Issuer

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE UNDER THE LOAN AGREEMENT AND FROM THE MONEYS AND SECURITIES HELD BY THE BOND TRUSTEE UNDER THE BOND INDENTURE. NONE OF THE ISSUER NOR ITS MEMBERS, DIRECTORS AND OFFICERS IS PERSONALLY LIABLE WITH RESPECT TO THE SERIES 2021 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE SERIES 2021 BONDS SHALL NOT BE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON. THE ISSUER HAS NO TAXING POWER.

Except for the information contained above under the subcaption “The Issuer” and herein under the captions “WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION” and “LITIGATION” insofar as it relates to the Issuer, the Issuer has not provided any of the information contained in this Official Statement. The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Corporation, the Underwriter or any other person.

THE CORPORATION AND THE COMMUNITY

The Corporation and the Community

The Corporation is a duly organized and validly existing not-for-profit New York corporation created to assist in the development and operation of a senior residential community (referred to herein as 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 Internal Revenue Code of 1986, as amended (the “Code”).

The Community will be managed by Life Care Services LLC dba Life Care Services (“LCS”). The Community is being constructed on an approximately 40.05 acre parcel of land located on the campus of Purchase College, State University of New York (the “College”), 735 Anderson Hill Road, Purchase, Town/Village of Harrison, Westchester County, New York, located in the southwestern portion of the Campus and set back approximately 250 feet from the western boundary of the Campus and approximately 450 feet from Anderson Hill Road, and bounded generally by Brigid Flanagan Drive to the south and west and Lincoln Avenue to the east (the “Project Site”), which Project Site is owned by the State University of New York (“SUNY”), and is ground leased by SUNY to Purchase College Advancement Corporation (“PCAC”) pursuant to a Ground Lease, dated as of March 3, 2017 (the “Ground Lease”), and is subleased by PCAC to the Corporation pursuant to a Sublease Agreement, dated as of June 28, 2018, as amended by the First Amendment to the Sublease Agreement, dated as of August 20, 2021 (collectively, the “Sublease Agreement”). PCAC is the sole member of the Corporation. The College and SUNY have no financial or other obligations with respect to the development, construction or operation of the Community or the Series 2021 Bonds. There is no recourse to the College or SUNY for any obligations or liabilities of PCAC or the Corporation.

The initial phase of the Community (the “Phase I Project”) will consist of the construction and equipping of two (2) four-story buildings with parking below, containing approximately one hundred seventy-four (174) independent living units, including forty-four affordable independent living apartments (the “Affordable Apartments”) and up to forty-six (46) one-story, detached and semi-detached villas (collectively, with the 174 independent living apartments and the Affordable Apartments, the “Independent Living Units”), a building containing thirty-six (36) assisted living beds, thirty-two (32) memory care beds, and related support spaces, and a building containing community and amenity space, together with supporting infrastructure and property site improvements. The community and amenity space includes social, dining, health, wellness and fitness facilities, and a “learning commons” consisting of classrooms, studios, gathering spaces, and performance spaces to be utilized by the residents as well as the students of the College, for lectures, seminars, performances, mentoring, tutoring and other educational purposes. The Independent Living Units will be occupied by persons 62 years old or older (or, if by a couple, at least one of whom is 62 years old). The construction of the Phase I Project will be financed with the proceeds of the Series 2021 Bonds.

In addition to the Phase I Project, the Corporation currently anticipates constructing a second phase which is expected to consist of the construction and equipping of up to one hundred sixty-five (165) additional independent living units (the “Phase II Project”). No specific timeline has been established for the construction of the Phase II Project, which will be constructed only if there is sufficient future demand for additional independent living units. To fund all or a portion of the Phase II Project, the Corporation may issue Additional Bonds under the Bond Indenture and/or incur Additional Indebtedness under the Master Indenture, which Additional Bonds and/or Additional Indebtedness may be secured equally and ratably with the Series 2021 Bonds and any Additional Bonds by a mortgage lien on and security interest in all or any part of the Community or the Gross Revenues in accordance with the provisions of the Master Indenture. See “SECURITY FOR THE SERIES 2021 BONDS – Additional Bonds and Additional Indebtedness” herein.

For more information on the Corporation and the Community, see “PURCHASE SENIOR LEARNING COMMUNITY INC.” in Appendix A hereto.

The Purchase College Advancement Corporation; the Liquidity Support Agreement

The sole member of the Corporation is PCAC, which is a New York not-for-profit corporation and an organization exempt from federal income taxation pursuant to the Code, as an organization that is described in Section 501(c)(3) of the Code. PCAC was organized in 2004 for the purposes of the development and operation of the Community in accordance with the Enabling Act (as defined herein).

PCAC will provide liquidity support to the Corporation pursuant to a Liquidity Support Agreement, dated as of November 1, 2021, by and among PCAC, as Liquidity Provider, the Corporation and the Bond Trustee. See “SECURITY FOR THE SERIES 2021 BONDS – Liquidity Support Agreement” herein.

Purchase College

The College, a public four-year college of arts, liberal arts and sciences, was founded in 1967 and is one of the 13 comprehensive colleges of the SUNY system. The College accepted its first continuing education students in 1968, its first matriculated students as juniors in 1971, and held its first commencement in 1973. The College is accredited by the Middle States Commission on Higher Education.

The College’s more than 500-acre campus is located in Westchester County, 25 miles north of New York City, and includes the Neuberger Museum of Art and The Performing Arts Center. Typical undergraduate enrollment is between 3,800 and 4,200 students, of which approximately 50% are enrolled in liberal arts and sciences, 40% are enrolled in the School of the Arts and 10% are enrolled in liberal studies.

The College provides a wide variety of cultural offerings and amenities at its Neuberger Museum of Art, the Richard and Dolly Maass Gallery, The Performing Arts Center, and its other theaters and conservatories, and academic buildings. The area surrounding the Community offers shopping, dining, and cultural opportunities.

To support and advance the educational mission of the College, the New York State legislature enacted Chapter 405 of Laws of New York of 2011 (as amended by Chapter 257 of the Laws of New York of 2016 (the “Enabling Act”), authorizing a 75-year ground lease of the Project Site to PCAC, for the development and operation of a senior learning (residential) community.

The Purchase College Foundation and Housing Corporation

In 2013, PCAC received a grant from the Purchase College Foundation Housing Corporation (“PCFHC”) in the amount of \$5,070,800, to fund the pre-financing cost of project planning and development (the “Seed Capital”). The Seed Capital and pre-development work-product prepared for PCAC was gifted by PCAC to the Corporation, and has been used by the Corporation as an equity contribution to the Project. The Seed Capital will not be repaid by the Corporation with the proceeds of the Series 2021 Bonds.

Development Consulting Agreement

LCSD/SCD Partners, LLC (the “Development Consultant”) and PCAC entered into a development consulting agreement (the “Development Consulting Agreement”) on August 12, 2014, assigned to the Corporation by an Assignment and Assumption Agreement dated April 1, 2018, as further amended on December 21, 2018 (the “Assignment Agreement”). Pursuant to the Development Consulting Agreement, the Development Consultant is expected to provide development consulting services for the Community and to market the Independent Living Units until 90 percent occupancy is achieved. For more information, see Appendix A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – Development Consulting Agreement” and Appendix B – “FINANCIAL FEASIBILITY STUDY” hereto.

Management Agreement

PCAC has entered into a Management Agreement, dated as of June 15, 2017 with LCS, which was amended and restated as of August 13, 2018 (the “Management Agreement”) and assigned by PCAC to the Corporation by the Assignment Agreement, whereby LCS is to manage and operate the Community. Under the Management Agreement, LCS is responsible for (i) recruiting, hiring, and training an executive director; (ii) beginning upon 90 percent initial occupancy of the Community, developing a marketing program, assisting with hiring and training of marketing personnel, monitoring occupancy levels, working with outside communication firm, and recommending specific procedures and promotions; (iii) establishing and maintaining a system of financial controls; (iv) recommending personnel policies, procedures, compensation and benefit plans, appraisal and goal setting programs, training programs, as well as other personnel related functions; (v) designing and monitoring of performance criteria related to the operation of the Community, the satisfaction and welfare of residents, and the effectiveness in integrating with the College, and (vi) providing additional services including, but not limited, to pre-financing consulting services related to financial projections and design of the Community, and pre-opening services including developing and implementing an operational plan. The Management Agreement expires 120 months (10 years) after the commencement of the Management Agreement, as amended on August 13, 2018 (the “Commencement Date”). See Appendix A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – The Manager and Management Agreement” and Appendix B – “FINANCIAL FEASIBILITY STUDY” hereto.

The Community

In 2003, Thomas J. Schwarz, then President of the College, assembled a task force of faculty and staff to determine how to best fulfill the College’s commitment to lifelong learning. The outcome was a plan for the development on the campus of a senior residential facility focused on intergenerational and life-long learning. In 2004, PCAC was formed to advance the plan and pursue the development of the Community. In 2011, the New York State legislature enacted the Enabling Act, authorizing the Ground Lease of the Project Site to PCAC for the development and operation of the Community.

Under the Enabling Act, PCAC is authorized to, among other things, pursue a project consisting of “the design, construction, reconstruction, demolition, excavating, rehabilitation, repair, renovation, alteration or improvement of a senior learning community,” enter into agreements and leases in furtherance of the project, and obtain financing for the project, “whether public or private or secured (including but not limited to, secured by leasehold mortgages and assignments of rents and leases), by [PCAC] and parties contracting with [PCAC], for the purposes of completing the [project]...” described in the Enabling Act. The Company was formed in 2016, to undertake the development and operation of the Community, and to obtain financing for the Community.

The Project Site is located in the hamlet of Purchase in the Town/Village of Harrison in suburban Westchester County, New York, three miles east of White Plains, the Westchester County seat, four miles west of Greenwich, Connecticut and approximately thirty miles north of Manhattan. The immediate surrounding community is predominately single-family residential, but also includes several large corporate campuses including the world headquarters of PepsiCo, which is located directly across Anderson Hill Road from the College. Contiguous to the College are residential homes to the east, the Westchester County Airport to the north, residential homes and the Old Oaks Country Club to the west, and the PepsiCo world headquarters to the south.

The Community to be constructed with proceeds of the Series 2021 Bonds will consist of 174 Independent Living Units, including the Affordable Apartments, situated in two (2) four-story buildings with parking below, and 46 one-story, detached and semi-detached villas; 36 assisted living beds and 32 memory care beds and related support spaces in a two-story building; and a 52,000 square foot commons building containing community and amenity spaces; together with supporting infrastructure and property site improvements. See Appendix A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – THE COMMUNITY” hereto.

Marketing and Presales

The marketing and sale of the Independent Living Units of the Community is subject to New York State regulations (13 NYCRR Section 25.1 – Newly Constructed or Vacant Senior Residential Communities). The Corporation submitted a proposed offering plan (the “Offering Plan”) to the Office of the Attorney General of the State of New York on September 5, 2018, which was approved on March 4, 2019. Commencing in October 2018, the Corporation initiated a priority program in which qualified potential residents were invited to information seminars or one-on-one meetings with sales staff. Prospects then had the opportunity to become “Overture Members” by providing relevant personal and financial information and signing an Overture Agreement. In early 2019, following approval of the Offering Plan by the Attorney General’s office, Overture Members were converted to sales by having them enter into a Residency Agreement and make a deposit; for an Affordable Apartment, the required deposit was initially in the amount of \$10,000 but under the most recent form of Residency Agreement the deposit for an Affordable Apartment is equal to 5% of the Entrance Fee, and for any other selected Independent Living Units the deposit is equal to 10% of the Entrance Fee. As of September 30, 2021, the Corporation has received 184 deposits (83%) of the 220 Independent Living Units in the Phase I Project). The marketing program is administered by a marketing director who oversees the marketing program and daily activities of the sales team. See Appendix A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW – Marketing Program and Strategy” and Appendix B – “FINANCIAL FEASIBILITY STUDY” hereto.

Entrance Fee and Monthly Fee; Residency Agreement

Residents of the Independent Living Units will pay the remainder of the Entrance Fee (95% for Affordable Apartments; 90% for all other Independent Living Units) upon admission into the Community. Residents will also pay a monthly fee for services (the “Monthly Fee”). Independent Living Unit residents

will occupy their units pursuant to a Residency Agreement. Residents have the right to rescind the Residency Agreement within seven (7) days after it is executed, and the right to terminate the Residency Agreement for any reason prior to occupancy, without penalty or forfeiture. Following occupancy, the Residency Agreement may be terminated by the Resident at any time, without cause, or by the Corporation for cause as defined in the Residency Agreement. If a Residency Agreement is terminated, the resident or their estate will receive a refund of the Entrance Fee consisting of 90% of the amount originally paid within thirty (30) days of the earlier to occur of (i) re-occupancy of the Independent Living Unit and full payment by the new resident of the Entrance Fee, or (ii) 24 months after date of termination, subject to offsets for any outstanding unpaid fees incurred during residency. However, in no event is the refund date to be more than twenty-four (24) months from the date of termination. See Appendix A – “PURCHASE SENIOR LEARNING COMMUNITY INC. – RESIDENCY AGREEMENT – The Residency Agreement” and – THE COMMUNITY – Entrance Fees and Monthly Service Fees” hereto.

Enabling Act

To support and advance the educational mission of the College, the New York State legislature enacted Chapter 405 of Laws of New York of 2011 (as amended by Chapter 257 of the Laws of New York of 2016 (the “Enabling Act”), authorizing a 75-year ground lease on the Project Site to PCAC. Pursuant to the Enabling Act, in the event the land ceases to be used for the purposes described in the Enabling Act, the Ground Lease will be terminated. The Enabling Act also mandates that, (i) the maximum number of Independent Living Units cannot exceed 385, (ii) at least twenty percent (20%) of the Independent Living Units must be affordable by individuals or families whose income does not exceed eighty percent (80%) of the median household income of Westchester County, (iii) Westchester County residents must have priority for fifty percent (50%) of the affordable Independent Living Units (i.e., the Affordable Apartments), and (iv) PCAC is required to remit to the College the net proceeds of operation of the Community (i.e., the Base Rent and Additional Rent paid by the Corporation under the Sublease Agreement), which are required by the Enabling Act to be allocated by the College as follows: 75% to student financial aid for students who are eligible to receive a tuition assistance award or supplemental tuition assistance and 25% to support additional full-time faculty positions.

Ground Lease and Sublease Agreement

Pursuant to the Ground Lease, which is effective upon the issuance by the College of a construction permit for the Phase I Project, PCAC must cause the Phase I Project to be constructed, operated and maintained for the purposes consistent with, and subject to the provisions of the Enabling Act. The Base Rent under the Ground Lease is equal to \$1 per year, and the Additional Rent due under the Ground Lease is comprised of all proceeds of PCAC, including any rent received under any sublease agreement. Events of Default under the Ground Lease include, but are not limited to, (i) bankruptcy of PCAC, and (ii) any failure to comply with the provisions of the Enabling Act. PCAC and SUNY cannot terminate or amend the Ground Lease without the prior consent of the Corporation. In the event of a successor tenant to PCAC, SUNY has the right to approve (such approval cannot be unreasonably withheld) any successor tenant to ensure the Project Site is used for the purpose of developing and constructing the Phase I Project and operating the Community. In the event of termination of the Ground Lease, SUNY must enter into a new ground lease for the remainder of the term of the Ground Lease under the same terms as the Ground Lease.

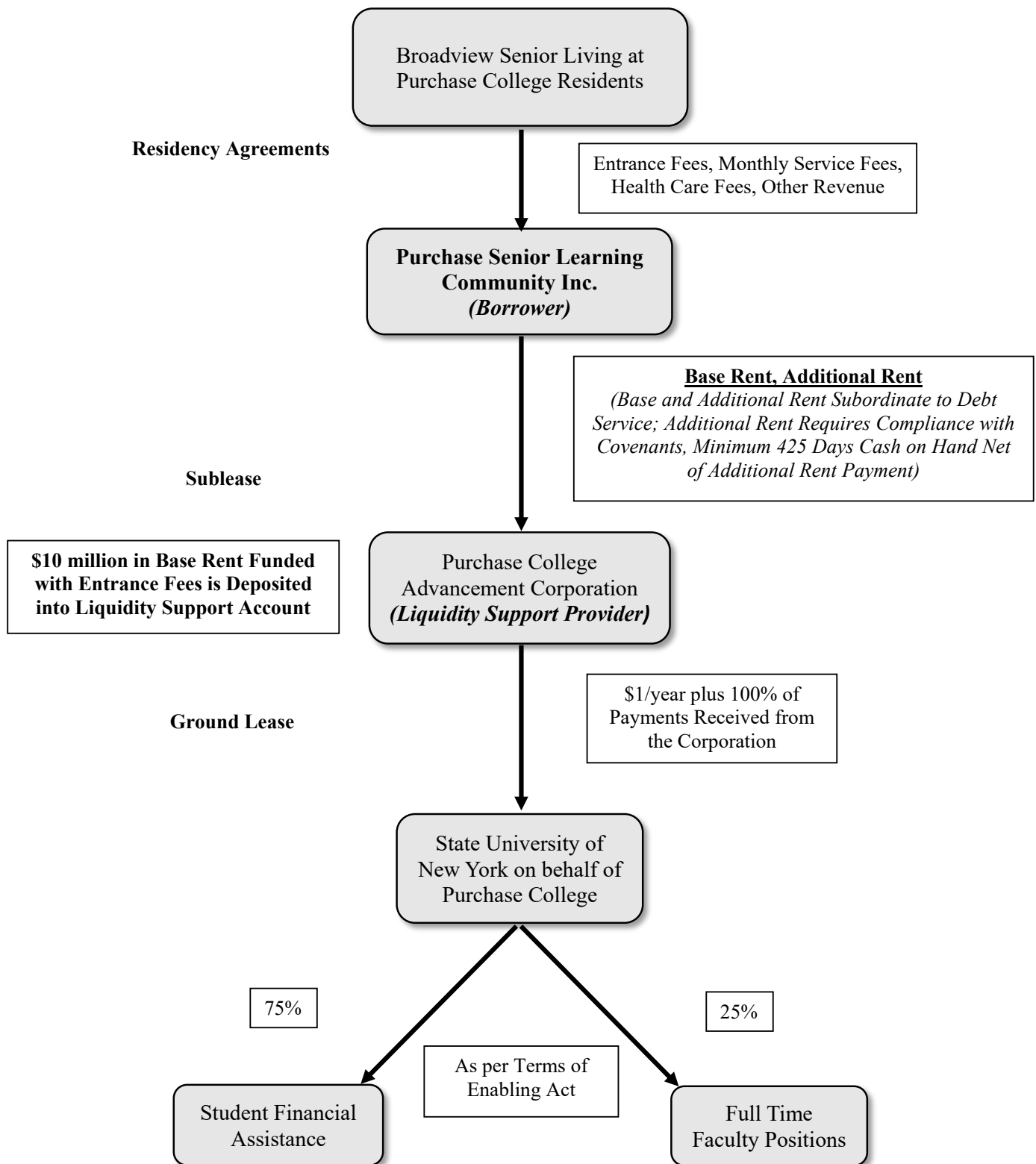
Pursuant to the Sublease Agreement, which is also effective upon the issuance by the College of a construction permit for the Phase I Project, the Corporation must collaborate with the College to effectuate the goal of fostering inter-generational learning and encourage students to be active in the life of the Community. The Corporation owes Base Rent pursuant to the terms of the Sublease Agreement, in the following amounts:

Lease Year	Base Rent	Funded By	
		Entrance Fees	Operations
1	\$250,000	\$0	\$250,000
2	250,000	0	250,000
3	2,000,000	1,500,000	500,000
4	2,000,000	1,500,000	500,000
5	2,000,000	1,500,000	500,000
6	2,200,000	1,500,000	700,000
7	2,200,000	1,500,000	700,000
8	2,200,000	1,500,000	700,000
9	<u>2,200,000</u>	<u>1,000,000</u>	<u>1,200,000</u>
Totals	\$15,300,000	\$10,000,000	\$5,300,000

Prepaid Base Rent equal to \$10,000,000 for Lease Years 3 through 9 of the Sublease Agreement is funded with Initial Entrance Fees and held by the Bond Trustee pursuant to the terms of Liquidity Support Agreement. Additional Rent under the Sublease Agreement is equal to seventy-five percent (75%) of the net income of the Community, which is defined in the Sublease Agreement to mean all revenues from operation of the Community including, without limitation, “rents,” “residency fees,” “attrition” (the difference between a refunded Entrance Fee for an Independent Living Unit and the Entrance Fee subsequently received for that unit), Monthly Fees and other fees paid by residents of the Community for occupancy of Independent Living Units and assisted living beds and memory care beds, and by any commercial sub-sublessees, licensees and concessionaires, less (A) Base Rent, (B) all expenditures incurred to operate the Community including, without limitation, real property taxes and assessments, if any, personal property taxes, if any, employee compensation (including benefits costs), costs of goods and services, costs of insurance, management fees, costs of maintenance, repairs and replacements (recurring and non-recurring) of the Improvements and utilities, and other miscellaneous expenses of operation (accounting, legal, etc.) (collectively, “Operating Expenses”), (C) debt service costs, (D) reasonable amounts of reserves for Operating Expenses, and (E) reasonably expected net costs of Entrance Fee refunding obligations. Additional Rent is only due under the Sublease Agreement if the Corporation complies with all financial covenants made to the Issuer under the Loan Agreement and with all special covenants related to the payment of Additional Rent in the Master Indenture, and then only in an amount such that the Corporation maintains a minimum Days’ Cash on Hand equal to 425. The Corporation retains the right, without the consent of PCAC, to mortgage to the Project Site or assign its leasehold interest in the Project Site. Events of Default under the Sublease Agreement include, but are not limited to, (i) bankruptcy by the Corporation, (ii) any failure to make payments due to PCAC, and (iii) any default under its obligations in connection with the Series 2021 Bonds. If an Event of Default occurs, the Master Trustee has the right to remedy any default of the Corporation. In the event that an Event of Default is not cured, and the Master Trustee commences foreclosure proceedings with the purpose of acquiring the Corporation’s interest in the Sublease Agreement, PCAC cannot terminate the Sublease Agreement. The Master Trustee may, without the consent of PCAC or SUNY, become legal owner of the sub-leasehold estate by foreclosure or assignment in lieu of foreclosure. Upon termination of the Sublease Agreement, PCAC will enter into a new sublease for the remainder of the 75-year term of the Sublease Agreement under the same terms as the Sublease Agreement.

Pursuant to the Liquidity Support Agreement, PCAC and the Corporation have agreed that the Corporation’s obligation under the Sublease Agreement to pay Additional Rent and Base Rent to the Liquidity Provider shall at all times be subject and subordinate to the Corporation’s obligation under the Loan Agreement to pay the principal, interest, Redemption Price, on the Series 2021 Bonds and any other amounts owed under the Loan Agreement when due.

The following chart represents the flow of revenues from residents to the Community to PCAC and then to the College:



SECURITY FOR THE SERIES 2021 BONDS

General

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

The Bond Indenture

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

Debt Service Reserve Fund

A Debt Service Reserve Fund and within such Fund, an Account for each series of Bonds, will be established under the Bond Indenture. The Account of the Debt Service Reserve Fund for the Series 2021A Bonds will be funded upon the issuance of the Series 2021 Bonds in an amount equal to the least of (i) ten percent (10%) of the proceeds the Series 2021A Bonds, (ii) one hundred twenty five percent (125%) of the average annual Debt Service Payments in all future Fiscal Years on the Series 2021A Bonds, or (iii) one hundred percent (100%) of the Maximum Annual Debt Service in all Fiscal Years on the Series 2021A Bonds, subject to any limitations under the Code. The Accounts of the Debt Service Reserve Fund for the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds (collectively, the "Entrance Fee Redemption Bonds") will be funded in an amount equal to one hundred percent (100%) of the maximum interest payments due in all Fiscal Years, after Fiscal Year ending June 30, 2022, on such series of the Entrance Fee Redemption Bonds, respectively. The Series 2021 Bonds Debt

Service Reserve Fund Accounts will be held for the benefit of only the Bondholders of the corresponding series of the Series 2021 Bonds and are available for payment of the principal of and interest on the applicable Series 2021 Bonds if payments by the Corporation are insufficient therefor.

When moneys in any Account or Subaccount of the Bond Fund created under the Bond Indenture are insufficient to pay principal of or interest on any series of Series 2021 Bonds when due, moneys in the applicable Account of the Debt Service Reserve Fund are to be transferred to the applicable Account or Subaccount of the Bond Fund applied to cure any such deficiency. Moneys in the Accounts of the Debt Service Reserve Fund are to be applied, respectively, solely to pay debt service on the corresponding series of Series 2021 Bonds, provided if funds on deposit in any Account of the Debt Service Reserve Fund are below any Debt Service Reserve Fund Requirement, all investment income or earnings on amounts held in such Account of the Debt Service Reserve Fund shall be retained in such Account of the Debt Service Reserve Fund until such Debt Service Reserve Fund Requirement is met. Any income or interest earned by, or increment to, the Debt Service Reserve Fund shall be transferred by the Bond Trustee and deposited to the related Subaccount of the Interest Account of the Bond Fund with respect to such series of Series 2021 Bonds and applied to the payment of the interest component of the next upcoming Debt Service Payments with respect to such series of Series 2021 Bonds. The Bond Trustee is directed under the Bond Indenture to make such deposits into the Debt Service Reserve Fund as are required to be made under the Bond Indenture or the Loan Agreement, including, but not limited to any payments received by the Bond Trustee from the Corporation pursuant to the Loan Agreement following any withdrawal from or shortfall in the Accounts of the Debt Service Reserve Fund. Whenever the Bond Trustee determines that the moneys and securities in any Account of the Debt Service Reserve Fund will be equal to or in excess of the Redemption Price of all of the Outstanding Bonds of such Series 2021 Bonds plus accrued interest to the Redemption Date, the Bond Trustee is required to use and apply the amounts on deposit in such Account of the Debt Service Reserve Fund to the redemption of all of such Series of Series 2021 Bonds on the first date thereafter that such Series 2021 Bonds are subject to redemption pursuant to the Bond Indenture.

Additional Bonds and Additional Indebtedness

One or more series of Additional Bonds may be issued under the Bond Indenture to complete or make additions or improvements to the Community, to provide extensions, additions, improvements or repairs to the Community or other property of the Corporation, or to refund any or all Outstanding Bonds issued under the Bond Indenture or any other Indebtedness for which the Corporation is the obligor or guarantor. Additional Bonds will be ratably and equally secured with the Series 2021 Bonds to the extent provided in the Bond Indenture. Prior to the issuance of any Additional Bonds, the Corporation must demonstrate satisfaction of the Additional Encumbrances and Indebtedness provisions of the Loan Agreement and the Issuer and the Corporation are required to enter into an amendment to the Loan Agreement or a supplemental agreement to provide that the payments under the Loan Agreement will be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds. See Appendix C hereto – “SUMMARIES OF PRINCIPAL DOCUMENTS – INDENTURE OF TRUST– Additional Bonds” and Appendix C “SUMMARIES OF PRINCIPAL DOCUMENTS – LOAN AGREEMENT – SPECIAL COVENANTS – Additional Encumbrances and Indebtedness.”

In addition, as permitted in the Master Indenture, the Corporation may incur Additional Indebtedness, which may be secured equally and ratably with the Series 2021 Bonds and any Additional Bonds by a mortgage lien on and security interest in all or any part of the Community or the Gross Revenues in accordance with the provisions of the Master Indenture. The Corporation may also incur Additional Indebtedness and other types of indebtedness for other lawful purposes on an unsecured or non-parity basis under certain conditions and limitations set forth in the Master Indenture. Appendix C hereto – “SUMMARIES OF PRINCIPAL DOCUMENTS – MASTER INDENTURE – Permitted Additional Indebtedness.”

Entrance Fee Fund

Pursuant to the Bond Indenture, to the extent Initial Entrance Fees are released from escrow while any Entrance Fee Redemption Bonds are Outstanding, Initial Entrance Fees received by the Corporation shall be tendered within five (5) days to the Bond Trustee and deposited by the Bond Trustee in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

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

Second, to the Liquidity Support Fund until the amount therein equals \$10,000,000;

Third, to the Working Capital Fund to pay for Costs of the Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$10,000,000;

Fourth, if after the Working Capital Fund is fully funded from Initial Entrance Fees in the amount of \$10,000,000, as set forth in Bond Indenture, and the amount on deposit in the Working Capital Fund falls below \$1,000,000, additional Initial Entrance Fees will be deposited to the Working Capital Fund in an amount up to \$5,000,000.

Fifth, to the applicable Account of the Debt Service Reserve Fund to make up for any deficiency with respect to any Debt Service Reserve Fund Requirement, provided if there is a deficiency in more than one of the Accounts of the Debt Service Reserve Fund, then Initial Entrance Fees will be applied to each deficient Account pro rata until all deficiencies are cured;

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

Seventh, only after the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem the Series 2021D Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

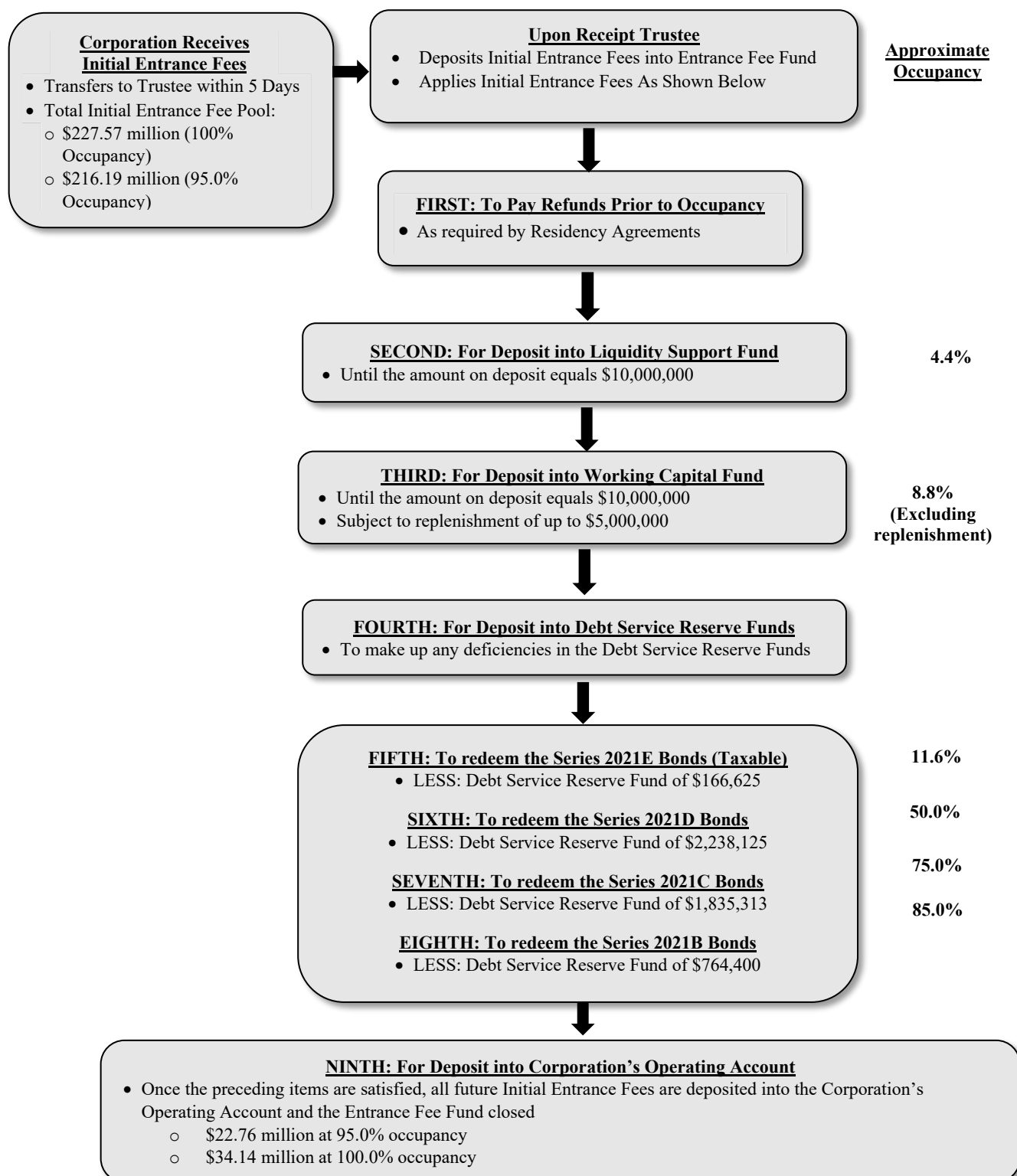
Eighth, only after the Series 2021D Bonds and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021C Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

Ninth, only after the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem the Series 2021B Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000; and

Tenth, after the Entrance Fee Redemption Bonds have been redeemed in full, all remaining Initial Entrance Fees will be deposited in the Corporation's operating account and the Entrance Fee Fund will be closed.

The diagram on the following page sets forth the flow of funds from the Entrance Fees Fund as described above. The amounts shown below for Debt Service Reserve Fund Deposits are based on the Feasibility Study and are preliminary and subject to change.

Application of Initial Entrance Fees



The Loan Agreement and the Series 2021 Promissory Note

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

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

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

The Master Indenture and the Mortgages

The Master Indenture is intended to provide assurance for the repayment of Obligations entitled to its benefits by imposing financial and operating covenants which restrict the Corporation and any other future Obligated Group Members and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such Obligations. Upon the issuance of the Series 2021 Bonds, the Series 2021 Obligation will be the only obligation presently entitled to the benefits of the Master Indenture. The holders of all Obligations entitled to the benefit of the Master Indenture, with the exception of the Subordinated Indebtedness, will be on parity with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Corporation and any future Obligated Group Members have pledged and granted to the Master Trustee (a) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (b) a security interest in all other property of every kind and nature from time to time, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by any Member or by anyone on its behalf to the Master Trustee, (c) a security interest in the amounts on deposit in the funds established under the Master Indenture, and (d) a security interest in any other property from time to time subjected to the lien of the Master Indenture. The Corporation may grant liens on the Mortgaged Property on a parity basis with the Building Loan Mortgage and the Project Loan Mortgage to the Master Trustee under the Master Indenture as additional security for future Obligations. The lien and security interests created by the Master Indenture may become subject to additional Permitted Encumbrances, as defined in Appendix C hereto. See “SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE” in Appendix C hereto.

In connection with the execution of the Master Indenture, the Corporation will execute the Building Loan Mortgage and the Project Loan Mortgage (the “Mortgages”) as security for (a) the prompt payment of the principal of, premium, if any and the interest on the Obligations outstanding from time to time and (b) the performance by each Obligated Group Member of its other obligations under the Master Indenture and the Mortgages.

To finance a portion of the costs of the Community, the Building Loan Proceeds will be advanced from time to time pursuant to the provisions of the Building Loan Agreement to pay for some or all of the Construction Costs; provided however, that such Construction Costs do not in the aggregate exceed the amount of the Building Loan Proceeds, and which Building Loan Proceeds shall be secured by, among other things, a mortgage lien on the Community under the Building Loan Mortgage.

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

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

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

Master Indenture Covenants

The Master Indenture, as supplemented by the Supplemental Indenture, contains covenants of the Corporation with respect to the marketing and occupancy, restrictions on additional indebtedness, liens and certain other matters, including the covenants summarized below. For the definitions of certain words and terms used under this heading “Master Indenture Covenants,” see Appendix C hereto – “SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE – DEFINITIONS.”

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

<u>Fiscal Quarter Following Initial Occupancy Date</u>	<u>Maximum Cumulative Cash Loss</u>
1	\$2,500,000
2	6,000,000
3	8,500,000
4+	9,400,000

If as of any Testing Date, the Cumulative Cash Loss of the Obligated Group is greater than the amounts set forth above, the Obligated Group Agent is required, within 45 days after delivery of an Officer's Certificate disclosing such deficiency, to deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Cumulative Cash Loss by the next Testing Date.

If the Obligated Group has not reduced the Cumulative Cash Loss to the amount required above by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Agent shall, within 45 days after receipt of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to decrease the Cumulative Cash Loss. Such Consultant shall be approved and retained as set forth in the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with the Obligated Group Members and each Required Information Recipient within 60 days after the date the Consultant is retained. Each Member of the Obligated Group shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of each of the Members of the Obligated Group) and permitted by law.

Within 165 days of filing the Consultant's report and recommendations as required in the paragraph above, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations. An additional Consultant's report shall not be required if a breach of the Cumulative Cash Loss covenant shall occur on any Testing Date between the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of each of the Members of the Obligated Group) and permitted by law.

See Appendix C – "SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE – Cumulative Cash Loss Covenant" for further description of the Cumulative Cash Loss Covenant, including a description of the actions required to be taken if such covenant is not met.

Marketing Requirements. Beginning with the date of issuance of the Series 2021 Bonds, and ending with Stabilization, the Obligated Group will market the Independent Living Units, execute Residency Agreements and collect deposits at or above the applicable levels set forth below (the "Marketing Requirements"), which determinations are measured as of the last day of the applicable quarter (the "Marketing Quarter"). The applicable Marketing Requirements are as follows:

<u>Quarter Ending</u>	<u>Reserved Independent Living Units</u>	
	<u>No. of Units</u>	<u>Percent</u>
12/31/21	172	78%
03/31/22	175	80
06/30/22	178	81
09/30/22	181	82
12/31/22	184	84
03/31/23	187	85
06/30/23	190	86
09/30/23	192	87
12/31/23	194	88
03/31/24	196	89
06/30/24 and thereafter	198	90

If the percentage of Reserved Independent Living Units for any Marketing Quarter is less than the applicable Marketing Requirement set forth above for that Marketing Quarter, the Obligated Group Agent is required to submit to the Master Trustee, within 45 days of the end of such fiscal quarter, 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 achieve the required level of Reserved Independent Living Units by the next Marketing Quarter.

If the Obligated Group has not raised the percentage of Reserved Independent Living Units to the Marketing Requirements required for the Marketing Quarter immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Agent is required to retain a Consultant within 45 days thereafter to make recommendations regarding the actions to be taken to increase the percentage of Reserved Units to the Marketing Requirements set forth herein for future periods. Within 60 days of retaining any such Consultant, the Obligated Group Agent is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. Each Member of the Obligated Group is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of each of the Members of the Obligated Group) and permitted by law. Such Consultant shall be approved and retained as set forth in the Master Indenture.

Within 165 days of filing the Consultant's report and recommendations, as required in the above paragraph, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Corporation's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations. An additional Consultant's report shall not be required if a breach of the Marketing Requirements shall occur any Testing Dates between the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

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 takes all action necessary to comply with the procedures set forth above for preparing a Management Marketing Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the as determined by the Governing Body of each of the Members of the Obligated Group) and permitted by law and contract.

See Appendix C – “SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE – Marketing Requirements” for further description of the Marketing Requirements, including a description of the actions required to be taken if such covenant is not met.

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

<u>Occupancy Quarter</u>	<u>Occupancy Requirements</u>	
	<u>No. of Units</u>	<u>Percent</u>
1	25	11%
2	50	23
3	75	34
4	100	45
5	116	53
6	132	60
7	143	65
8	154	70
9	160	73
10	166	75
11	172	78
12	177	80
13	182	83
14	187	85
15	192	87
16 and thereafter	197	90

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

If the percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Agent shall, within 45 days after the end of such Occupancy Quarter, deliver an Officer’s Certificate to the Master Trustee, setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Occupied Independent Living Units for the next Marketing Quarter.

If the Obligated Group has not raised the percentage of Occupied Independent Living Units to the Occupancy Requirement required for the Occupancy Quarter immediately subsequent to the delivery of the Officer’s Certificate required in the preceding paragraph, the Obligated Group Agent is required to retain a Consultant within 45 days thereafter to make recommendations regarding the actions to be taken to increase the Occupied Independent Living Units to be at least the Occupancy Requirement set forth above for future periods. Within 60 days of retaining any such Consultant, the Obligated Group Agent is required to cause a copy of the Consultant’s report and recommendations, if any, to be filed with the Obligated Group Members and each Required Information Recipient. The Members of the Obligated Group are required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of Each of the Members of the Obligated Group) and permitted by law.

Within 165 days of filing the Consultant’s report and recommendations as required in the paragraph above, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated

Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days of filing the Consultant's initial report and recommendations. The Master Indenture provides that an additional Consultant's report is not required if a breach of the Occupancy Requirements shall occur on any Testing Date between the delivery of an initial Consultant's report and the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

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 takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible and permitted by law and contract.

See Appendix C – "SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE – Occupancy Requirements" for further description of the Occupancy Requirements, including a description of the actions required to be taken if such covenant is not met.

Debt Service Coverage Ratio. The Obligated Group agrees that, commencing with the earlier of (A) the first full fiscal quarter following Stabilization or (B) the fiscal quarter ending June 30, 2026, the Obligated Group Agent will calculate the Historical Debt Service Coverage Ratio of the Obligated Group as of each Testing Date (provided that for the first three Testing Dates that the Historical Debt Service Coverage Ratio is required to be computed, the Historical Debt Service Coverage Ratio shall be calculated on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed).

If the actual Historical Debt Service Coverage Ratio is less than the Debt Service Coverage Ratio Requirement but greater than 1.00 for any Fiscal Year, the Obligated Group Agent shall, at the Obligated Group's expense, within 45 days following the delivery of the calculation described hereinabove, deliver a management report to the Master Trustee making recommendations and outlining steps to be taken by the Obligated Group with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to generate a Historical Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement for the following Fiscal Year.

If (a) the Historical Debt Service Coverage Ratio of the Obligated Group is less than the Debt Service Coverage Ratio Requirement for any two consecutive Fiscal Years, or (b) the Historical Debt Service Coverage Ratio of the Obligated Group is less than 1.00:1 for any Fiscal Year, the Obligated Group shall, at the Obligated Group's expense, select a Consultant within 45 days following the delivery of the calculation described herein to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to generate a Historical Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement for the following Fiscal Year.

Within 60 days of retaining any such Consultant, the Obligated Group Agent is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law and contract.

Within 165 days of filing the Consultant's report and recommendations, the Obligated Group Agent is required to cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-

up report to be filed with each Member and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations.

Upon the occurrence of circumstances described in applicable law or regulation that would otherwise require the Obligated Group to retain a Consultant, a Consultant is not required to be retained upon satisfaction of the conditions set forth in the Master Indenture.

Failure to comply with the Debt Service Coverage Ratio Covenant shall not constitute an Event of Default under the Master Indenture unless (i) the Obligated Group fails to take all necessary action to adopt a plan and cause each Obligated Group Member to follow each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of each of the Members of the Obligated Group) and permitted by law; or (ii) the Historical Debt Service Coverage Ratio is less than 1.00:1 for the Fiscal Year ending on the initial Testing Date; or (iii) the Historical Debt Service Coverage Ratio is less than 1.00:1 for the second fiscal year following the initial Testing Date or any fiscal year thereafter and Days Cash on Hand is less than 250 as of the most recent Testing Date; or (iii) the Historical Debt Service Coverage Ratio is less than 1.00:1 as of any two consecutive Testing Dates; or (iv) during any period in which Additional Indebtedness for any acquisition, construction, renovation or replacement project is excluded from the Historical Debt Service Coverage Ratio as described in the Master Indenture, the Historical Debt Service Coverage Ratio is less than 1.00:1.

Liquidity Covenant. The Obligated Group covenants that it will calculate the Days' Cash on Hand of the Obligated Group semiannually as of June 30 and December 31, commencing with the first Testing Date that follows Stabilization. Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 175 Days' Cash on Hand on each Testing Date (the "Liquidity Requirement").

If the Days Cash on Hand is less than the Liquidity Requirement for any two consecutive Testing Dates, the Obligated Group Agent shall, at the Obligated Group's expense, within 45 days following the delivery of the calculation described hereinabove, deliver a management report to the Master Trustee making recommendations and outlining steps to be taken by the Obligated Group with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to generate a Days Cash on Hand of at least equal to the Liquidity Requirement for the following Testing Date.

If the amount of Days' Cash on Hand is less than the Liquidity Requirement as of any two consecutive Testing Dates, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Days' Cash on Hand to the Liquidity Requirement for future periods. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law. No Consultant's report is required more than once in any twelve-month period.

Failure to comply with the Liquidity covenant shall not constitute an Event of Default under Master Indenture unless the Obligated Group fails to take all action necessary to comply with the procedures set forth above for adopting a plan or retaining a Consultant and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined by the Governing Body of the Obligated Group Agent) and permitted by law and contract.

See Appendix C – “SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE” for further description of the Debt Service Coverage Ratio Covenant and Liquidity Covenant, including a description of the actions required to be taken if such covenants are not met.

Liquidity Support Agreement

Pursuant to a Liquidity Support Agreement dated the Closing Date, by and between PCAC, as Liquidity Provider, the Corporation and the Bond Trustee (the “Liquidity Support Agreement”), the Liquidity Provider will pledge and assign all Initial Entrance Fees, in an amount up to \$10,000,000, that are tendered by the Corporation to the Bond Trustee, and deposited by the Bond Trustee in the Liquidity Support Fund under the Indenture pursuant to the Indenture, which amounts represent a portion of the amounts owed by the Corporation to the Liquidity Provider for Base Rent due in Lease Years (as defined in the Sublease Agreement) 3 through 9.

Draws on Liquidity Support Fund. Moneys deposited in the Liquidity Support Fund will be paid by the Bond Trustee as follows:

(i) *Replenishment of the Working Capital Fund.* Funds held in the Liquidity Support Fund will be transferred to the Working Capital Fund to maintain no less than \$2,500,000 on deposit in the Working Capital Fund when (i) the Working Capital Fund has been replenished by Initial Entrance Fees pursuant to the terms of the Bond Indenture, and (ii) the amount on deposit in the Working Capital Fund has fallen below \$2,500,000. To the extent amounts are drawn from the Liquidity Support Fund to replenish the Working Capital Fund under the Bond Indenture, and amounts released from the Liquidity Support Fund are not sufficient to pay amounts of Base Rent to be paid from Entrance Fees, the Corporation will be required to pay the Liquidity Provider any such deficiency as back rent, subject to the restrictions set forth in the Liquidity Support Agreement, provided, pursuant to the Sublease Agreement, no interest will be due on any such back rent and such back rent will be payable by the Corporation before it pays any other rent under the Sublease Agreement.

(ii) *Repayments to the Liquidity Provider from the Corporation.* The amounts on deposit in the Liquidity Support Fund will be released to the Liquidity Provider upon the occurrence of the following events, and upon release the Liquidity Provider will not have an obligation to re-deposit any such released funds into the Liquidity Support Fund: (i) when the Series 2021E Bonds and the Series 2021D Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 50%, the Bond Trustee will release \$1,250,000 from the Liquidity Support Fund to the Liquidity Provider; (ii) when the Series 2021C Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 75%, the Bond Trustee will release an additional \$1,250,000 from the Liquidity Support Fund to the Liquidity Provider; (iii) when the Series 2021B Bonds are no longer Outstanding and the percentage of Occupied Independent Living Units equals or exceeds 85%, the Bond Trustee will release an additional \$2,500,000 from the Liquidity Support Fund to the Liquidity Provider; (iv) when the Series 2021B Bonds are no longer Outstanding, and upon (A) certification from an authorized representative of the Corporation and the Obligated Group certifying satisfaction of the following, (I) the Debt Service Ratio Covenant (and accordingly, that the Historical Debt Service Coverage Ratio was equal to or greater than the Debt Service Coverage Ratio Requirement), as of the four (4) immediately preceding consecutive Testing Dates, and (II) the Liquidity Covenant, (and accordingly, the Obligated Group had no less than 175 Days’ Cash on Hand) as of the two (2) immediately preceding consecutive Testing Dates; and (B) no Event of Default has occurred and is continuing under Master Indenture, the Bond Indenture and the Loan Agreement and no event has occurred or is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture, the Bond Indenture and the Loan Agreement, the Bond Trustee will release all remaining funds on deposit in the Liquidity Support Fund.

The Corporation has the right to pay any amounts other than Base Rent payable to the Liquidity Provider under the Sublease Agreement (such payments are “Additional Rent”), annually from any available moneys, within forty-five (45) days of the release of the Corporation’s annual financial statements, upon delivery of a certificate of an authorized representative of the Corporation to the Liquidity Provider and the Bond Trustee that the following conditions have been met: (i) the Entrance Fee Redemption Bonds are no longer outstanding, (ii) the Historical Debt Service Coverage Ratio was equal to or greater than 1.20:1 as of the four immediately preceding Testing Dates, and equal to or greater than 1.25:1 as of the most recently preceding Testing Date, based on the Corporation’s most recent audited financial statements, (iii) Days Cash on Hand was equal to or greater than 175 days as of the two immediately preceding Testing Dates; and (iv) the Corporation is in compliance with all covenants required by the Master Indenture, the Supplemental Indenture, and the Loan Agreement.

The amount of Additional Rent the Corporation is required to pay, subject to the restrictions set forth in the Liquidity Support Agreement, is limited such that following payment of such Additional Rent, Days Cash on Hand must be at least 425 days.

Payments of Additional Rent shall first be applied to pay any back rent due as described above until such back rent is paid in full.

Term. The Liquidity Support Agreement will be in full force and effect from the Closing Date of the Series 2021 Bonds until (i) all amounts held under the Liquidity Support Fund are released pursuant to the Liquidity Support Agreement, (ii) all Series 2021 Bonds are no longer Outstanding, and (iii) the Corporation has satisfied its obligation to pay any Base Rent due as back rent pursuant to the terms set forth in the Liquidity Support Agreement.

Pursuant to the Liquidity Support Agreement, PCAC and the Corporation have agreed that the Corporation’s obligation under the Sublease Agreement to pay Additional Rent and Base Rent to the Liquidity Provider shall at all times be subject and subordinate to the Corporation’s obligation under the Loan Agreement to pay the principal, interest, Redemption Price, on the Series 2021 Bonds and any other amounts owed under the Loan Agreement when due.

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

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

THE SERIES 2021 BONDS

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

General

The Series 2021 Bonds shall be issued in fully registered form as provided in the Bond Indenture, and shall be payable as to interest on July 1, 2022 and thereafter (i) with regard to the Series 2021A Bonds, on January 1 and July 1 of each year, and (ii) with regard to the Series 2021B through Series 2021E Bonds, on January 1, April 1, July 1 and October 1 of each year during the term of the Series 2021 Bonds, respectively. Interest on the Series 2021 Bonds shall be calculated based on a 360 day year of twelve 30-day months. The Series 2021 Bonds shall be dated their date of issuance, and interest on all Series 2021 Bonds initially delivered shall accrue from their date of issuance.

The Series 2021 Bonds are issuable in the form of fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Series 2021 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2021 Bonds. Individual purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form. Purchasers of beneficial interests in the Series 2021 Bonds will not receive certificates representing their interest in the Series 2021 Bonds that they purchase. Except as provided in the Bond Indenture, all of the Series 2021 Bonds shall be registered by the Bond Trustee in the name of Cede & Co., as nominee of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2021 Bonds, references herein to the Bondholders or registered owners shall mean Cede & Co. rather than the beneficial owners of the Series 2021 Bonds. See “Book-Entry System” below.

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

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

Transfer, Registration and Exchange

So long as any Series 2021 Bonds remain Outstanding, the Issuer is required to maintain, at the Office of the Bond Trustee, books for the registration and transfer of the Series 2021 Bonds. The Bond Trustee, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Bond Trustee may prescribe, any Series 2021 Bonds entitled to registration or transfer.

Each Series 2021 Bond is transferable only on the books of the Issuer and upon surrender of the Series 2021 Bond, at the Office of the Bond Trustee, together with a written instrument of transfer, satisfactory to the Bond Trustee, duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any registered Series 2021 Bond, the Issuer shall issue in the name of the transferee a new registered Series 2021 Bond or Series 2021 Bonds of the same Series, aggregate principal amount and maturity and rate of interest as the surrendered Series 2021 Bond.

The Issuer, the Bond Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such Series 2021 Bond is overdue or not for the purpose of receiving payment of the principal of or Redemption Price and interest on such Series 2021 Bond and for all other purposes. All such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Series 2021 Bond to the extent of the sum or sums so paid. Neither the Issuer, the Bond Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring the Series 2021 Bonds is exercised, the Issuer shall execute and the Bond Trustee shall authenticate and deliver the Series 2021 Bonds in accordance with the provisions of the Bond Indenture. All Series 2021 Bonds surrendered in any exchanges or transfers shall forthwith be canceled in accordance with the Bond Indenture. For every exchange or transfer of the Series 2021 Bonds, whether temporary or definitive, the Issuer or the Bond Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive Series 2021 Bonds in exchange for temporary Series 2021 Bonds, (ii) the cost of preparing each new Series 2021 Bond, and (iii) any other expenses of the Issuer or the Bond Trustee incurred in connection therewith. Neither the Issuer nor the Bond Trustee shall be obligated to exchange or transfer any Bond during the ten (10) days next preceding (i) a Debt Service Payment Date, or (ii) in the case of any proposed redemption of Series 2021 Bonds, the date of the first mailing of notice of such redemption. Notwithstanding the above, so long as the Series 2021 Bonds are held under a book-entry system, transfers and exchanges of beneficial ownership of the Series 2021 Bonds will be effected on the books of DTC pursuant to its rules and procedures.

The Bond Indenture provides that each purchaser or beneficial owner of the Series 2021 Bonds shall be either a Qualified Institutional Buyer or an Accredited Investor (as defined herein). At the time of the initial issuance and sale of the Series 2021 Bonds, the initial purchaser or the initial beneficial owner of the Series 2021 Bonds is required to provide an “Investor Letter” in the form set forth in Appendix F hereto.

If the Issuer and the Bond Trustee receive written evidence from the Corporation that the Series 2021 Bonds have received an investment grade rating (“BBB-“ or its equivalent), the foregoing restrictions will no longer apply to the purchasers or beneficial owners of the Series 2021 Bonds.

Book-Entry System

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

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Series 2021 Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Payments of principal, redemption price and interest on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Bond Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2021 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Bond Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price or interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

THE ISSUER, THE CORPORATION, THE BOND TRUSTEE, THE PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT

PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2021 BONDS (I) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC,

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

Redemption of the Series 2021 Bonds

Optional Redemption

Optional Redemption of Series 2021A Bonds. The Series 2021A Bonds are subject to redemption by the Issuer, at the option of the Corporation, on or after July 1, 2027, in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

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

No Optional Redemption of the Entrance Fee Redemption Bonds. The Entrance Fee Redemption Bonds are not subject to optional redemption prior to their respective maturity dates.

Sinking Fund Account Redemption of Series 2021A Bonds

The Series 2021A Bonds maturing on or after July 1, 20[] are subject to mandatory redemption in part commencing on July 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>July 1</u>	

*

*Final Maturity

The Series 2021A Bonds maturing on or after July 1, 20[] are subject to mandatory redemption in part commencing on July 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>July 1</u>	

*

*Final Maturity

The Series 2021A Bonds maturing on or after July 1, 20[] are subject to mandatory redemption in part commencing on July 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>July 1</u>	

*

*Final Maturity

The Series 2021A Bonds maturing on or after July 1, 20[] are subject to mandatory redemption in part commencing on July 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price

equal to the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2021A Bonds are set forth in the following table:

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Amount</u>
<u>July 1</u>	

*

*Final Maturity

Entrance Fee Redemption of the Entrance Fee Redemption Bonds

The Entrance Fee Redemption Bonds are subject to redemption prior to maturity quarterly on each January 1, April 1, July 1, and October 1, commencing with the first such date on which notice of redemption can be given following the date on which not less than \$25,000 has been transferred from the Entrance Fee Fund to the Special Redemption Fund (each a “Entrance Fee Redemption Date”) at the principal amount thereof being redeemed plus accrued interest to the redemption date solely from amounts on deposit in the Special Redemption Fund in an amount equal to the greatest amount available that is equal to \$25,000 or \$25,000 plus any integral multiple of \$5,000 of any of Entrance Fee Redemption Bonds for which the redemption price thereof is on deposit in the Special Redemption Fund on the date on which notice is given to Holders thereof. After the Completion Date, the Bond Trustee will apply amounts on deposit in the Special Redemption Fund to redeem the Entrance Fee Redemption Bonds as set forth Bond Indenture in the following order: (1) first, to redeem the Series 2021E Bonds, (2) second, to redeem the Series 2021D Bonds, (3) third, to redeem the Series 2021C Bonds, and (4) fourth, to redeem the Series 2021B Bonds.

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

Entrance Fee Redemption Bonds shall also be subject to redemption from amounts on deposit in applicable Account of the Debt Service Reserve Fund whenever the Bond Trustee determines that the moneys and securities in any applicable Account of the Debt Service Reserve Fund, will be equal to or in excess of the Redemption Price of all of the Outstanding Bonds of such series of Entrance Fee Redemption Bonds plus accrued interest to the Redemption Date. See SECURITY FOR THE SERIES 2021 BONDS – Debt Service Reserve Fund.

Mandatory Redemption Upon Event of Taxability

The Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds and the Series 2021D Bonds (collectively, the “Tax-Exempt Series 2021 Bonds”) are subject to redemption in whole as soon as practicable after the occurrence of an Event of Taxability (as defined below) and the receipt by the Bond Trustee of written notice from any bondholder or the Corporation of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Bond Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to (i) 103% of the principal amount of the Tax-Exempt Series 2021 Bonds, as applicable, to be redeemed if the

Determination of Taxability was the result of any action or inaction on the part of the Corporation, or (ii) 100% of the principal amount of the Tax-Exempt Series 2021 Bonds, as applicable, to be redeemed, if the Determination of Taxability was not result of any action or inaction on the part of the Corporation, plus in each case, accrued interest thereon to the Redemption Date.

“Event of Taxability” means

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

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

Extraordinary Redemption

The Series 2021 Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Community shall be on deposit in the Bond Fund pursuant to the Loan Agreement; or

(ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to the Indenture.

Purchase in Lieu of Redemption of Series 2021 Bonds

The Corporation has the option to cause any Series 2021A Bond to be purchased by the Corporation, or its designee, in lieu of redemption pursuant to the optional redemption provisions of the Bond Indenture. Such option may be exercised by delivery to the Bond Trustee of a written notice of the Corporation specifying that the Series 2021A Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Bond Indenture. Upon delivery of such notice, the Series 2021A Bonds shall not be redeemed but shall be purchased at a price equal to the Redemption Price specified above, and if so purchased, the Series 2021A Bonds shall continue to be Outstanding under the Bond Indenture for all purposes and shall continue to be subject to optional redemption as provided in the Bond Indenture. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Series 2021 Bonds for federal tax purposes.

Selection of Series 2021 Bonds to be Redeemed

In the event that redemption of the Series 2021 Bonds is made in an amount less than the amount of all Series 2021 Bonds having the same maturity, all Series 2021 Bonds having the same maturity shall be redeemed pro rata. In the event of the redemption of less than all of the Series 2021 Bonds stated to mature on different dates, the principal amount of such Series 2021 Bonds to be redeemed shall be selected

by the Institution in writing to the Trustee or, if no such selection is made, shall be applied in inverse order of maturity of the Outstanding Series 2021 Bonds to be redeemed and by lot within a maturity.

Effect of Call for Redemption

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

Notice of Redemption

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

Bond Indenture Events of Default

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

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

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

- (c) The occurrence and continuation of an Event of Default under the Loan Agreement; or
- (d) The occurrence and continuation of an Event of Default under the Building Loan Mortgage or the Project Loan Mortgage; or
- (e) The occurrence and continuation of an Event of Default under the Master Indenture or any Obligation issued thereunder.

Acceleration; Annulment of Acceleration

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

At any time after the principal of the Bonds Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Indenture, the Bond Trustee may annul such declaration and its consequences with respect to any series of Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding series of Bonds; (ii) sufficient moneys shall be available to pay the fees, charges and expenses of the Bond Trustee and Paying Agents pursuant to the Bond Indenture; (iii) all other amounts then payable by the Issuer thereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bond Trustee; and (iv) every other Event of Default known to the Bond Trustee (other than a default in the payment of the principal of such series of Bonds then due only because of such declaration) shall have been remedied. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

ESTIMATED SOURCES AND USES OF FUNDS*

The estimated sources and uses of funds in connection with the issuance of the Series 2021 Bonds are as follows:

SOURCES OF FUNDS

Par Amount of the Series 2021 Bonds	\$392,245,000*
Original Issue Discount/Premium	
Net Bond Proceeds	
Equity Contribution	
[Entrance Fees for Working Capital]	
Total Sources of Funds	

USES OF FUNDS

Construction Account Deposit	
Refunding of Series 2018 BANS	
Capitalized Interest Fund	
Debt Service Reserve Fund (Series 2021A)	
Debt Service Reserve Fund (Series 2021B, 2021C, 2021D and 2021E)	
Working Capital Fund	
Costs of Issuance ⁽¹⁾	
Total Uses of Funds	

(1) Includes legal fees, Underwriter's Discount, title insurance premium, Issuer's fee, Feasibility Consultant fee, Bond Trustee fees, and other costs associated with the issuance of the Series 2021 Bonds.

DEBT SERVICE SCHEDULE

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

* Preliminary, subject to change.

Period Ending July 1	Series 2021A <u>Bonds</u>		Series 2021B <u>Bonds</u>		Series 2021C <u>Bonds</u>		Series 2021D <u>Bonds</u>		Series 2021E <u>Bonds</u>		Total Debt <u>Service</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>	
2021											
2022											
2023											
2024											
2025											
2026											
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RISK FACTORS

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

Uncertainty of Revenues

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

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

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

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

COVID-19

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

The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added “disease outbreak” to the definition of “disaster” (which already includes “epidemic”) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020. Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same. The Westchester County Executive declared a local state of emergency on March 16, 2020.

The Governor issued the “New York State on PAUSE” executive order, effective March 22, 2020, that directed all non-essential businesses statewide to close in-office personnel functions and banned all non-essential travel and gatherings. All schools and college facilities were closed for the remainder of the 2019-2020 academic year. All PAUSE restrictions and closures were extended until May 28, 2020, unless a region was able to meet the criteria outlined by the Governor to protect public health upon the reopening of specified businesses and activity.

COVID-19 vaccines in New York are now available for all individuals residing in New York aged 12 years or older. Accordingly, effective May 19, 2021 most business capacity restrictions in New York have been removed and effective June 15, 2021, all COVID-19 restrictions in New York have been lifted.

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

Cybersecurity Concerns

Information technology systems are vulnerable to a range of cybersecurity-related risks. These risks include, without limitation, data breaches and system compromises resulting from, ransomware attacks, attacks from hackers, email phishing campaigns, computer viruses, physical or electronic break-ins, insider threats, system misconfigurations, and other methods of compromise. Such events or issues could lead to the disclosure of protected health information, personally identifiable information or other confidential or proprietary information, could have an adverse effect on the ability of the Obligated Group to operate, and could result in significant exposure and liabilities to the Obligated Group.

Limited Market for the Series 2021 Bonds

No ratings have been requested for the Series 2021 Bonds. The absence of a rating adversely affects the market for Series 2021 Bonds. Although the Underwriter intends to create and maintain a secondary market for the purchase and sale of Series 2021 Bonds, there can be no assurance that there will always be a secondary market for purchase or sale of Series 2021 Bonds. From time to time there may be no market for the Series 2021 Bonds depending upon prevailing market conditions, the financial condition or market position of the firm or firms who may make the secondary market and the financial condition and results

of operations of the Borrower. The Series 2021 Bonds should therefore be considered long-term investments in which funds are committed to maturity.

There are restrictions on who may purchase the Series 2021 Bonds. The Series 2021 Bonds are being offered and sold hereby only to “Qualified Institutional Buyers” (as defined in Rule 144A of the Securities Act) or to “Accredited Investors” (as defined in Rule 501(a) under the Securities Act). The Series 2021 Bonds are subject to further transfer restrictions as defined herein.

Construction Risks

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

Furthermore, the construction of the Community 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 Community for an extended period of time, and the length of any such delay is beyond the control of the Corporation. Given the nature of the virus, it cannot be predicted whether, and to what extent, construction may be delayed.

Failure to Achieve or Maintain Occupancy or Turnover

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

Demand for services of the Community could also be affected by many factors, including: (1) advances in scientific and medical technology; (2) increased or more effective competition from similar

facilities now or hereafter located in the service area of the Community; and (3) the effects of managed care.

Competition

The Community may face competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing similar facilities, including assisted living, memory care, and 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 seniors, some of which may be designed to offer similar facilities but not necessary similar services, at lower prices, and continuing care at home contracts. The effect of these future competing facilities on the Community may be material. See the Feasibility Study in Appendix B for additional detail on the Community's competitors.

Forecast

The Corporation's financial forecast contained in the Feasibility Study attached hereto as Appendix B is based upon assumptions that were provided by, or reviewed with and approved by, Management of the Corporation. As stated in such financial forecast, events and circumstances frequently do not occur as expected, and there will usually be differences between the forecasted and actual results, and those differences may be material. In addition, the financial forecast only covers the six years ending June 30, 2027 and consequently does not cover the entire period during which the Series 2021 Bonds are expected to be outstanding. See the Feasibility Study included herein as Appendix B, which should be read in its entirety.

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

Nature of the Income of Seniors

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. 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 Loan Agreement.

Sale of Personal Residences

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. If prospective residents encounter difficulties in selling their current homes

due to local or national economic conditions affecting the sale of residential real estate, such prospective residents may not have sufficient funds to pay the Entrance Fee or to meet other financial obligations under their residency agreements, thereby causing a delay in scheduled occupancy of the Community or the remarketing of vacated units, either of which would have an adverse impact on the revenues of the Corporation and the ability of the Corporation to pay amounts due under the Loan Agreement.

Professional Liability Claims and Losses

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

Possible Changes in Tax Status

The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Corporation of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Corporation, and thereby the revenues of the Community. The Corporation has obtained a letter from the Internal Revenue Service determining it is an exempt organization under Section 501(c)(3) of the Code. As an exempt organization, the Corporation is subject to a number of requirements affecting its operation. The failure of the Corporation to remain qualified as an exempt organization could affect the funds available to the Corporation for payments under the Loan Agreement. Also, loss of exempt status as a Section 501(c)(3) organization may adversely affect the status of the Tax-Exempt Series 2021 Bonds for federal income tax purposes. Failure of the Corporation to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as the Community, could cause interest on the Tax-Exempt Series 2021 Bonds to be included in the gross income of holders of the Tax-Exempt Series 2021 Bonds or former holders of the Tax-Exempt Series 2021 Bonds for federal income tax purposes. See “TAX MATTERS – TAX-EXEMPT SERIES 2021 BONDS” herein.

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

Bankruptcy

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

order could require that the property of the Member or the Issuer, as applicable, including the Gross Receipts of the Obligated Group and proceeds thereof, be used for the benefit of the Obligated Group or the Issuer, as applicable, despite the lien and security interest of the Bond Trustee therein.

In a bankruptcy proceeding, the debtor could file a plan of reorganization which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The holders of the Series 2021 Bonds may only receive post-petition interest on the Series 2021 Bonds to the extent the value of their security exceeds their claim. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan.

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

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

Limitation of the Mortgaged Property

The Obligated Group has delivered the Mortgages on the Mortgaged Property to the Issuer, and the Issuer has assigned the Mortgages to the Master Trustee, to secure the Obligated Group’s obligations pursuant to the Master Indenture. In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on the Mortgaged Property under certain circumstances, however, the Mortgages are leasehold interests only and upon foreclosure any prospective purchaser will not be able to obtain a fee interest in the real estate. All amounts collected upon foreclosure of the Mortgaged Property pursuant to the Mortgages will be used to pay certain costs and expenses incurred by, or otherwise related to, the foreclosure, the performance of the Master Trustee and/or the beneficiary under the Mortgages, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master

Indenture. See also “SUMMARIES OF PRINCIPAL DOCUMENTS – THE MASTER INDENTURE” in Appendix C hereto.

In the event that the Mortgages are actually foreclosed, 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 Obligated Group in the Mortgaged Property (including the Master Trustee, if such party were to acquire the interest of the Obligated Group in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of 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 debt service payments.

The Community can only be used as a senior learning (residential) community in accordance with the provisions of the Enabling Act. Additionally, the assisted living beds and memory care beds of the Community presently require a license from the State to operate. Therefore, it would be difficult to find a buyer or lessee for the Community, and, upon any default, the Master Trustee may not realize the amount of the outstanding Series 2021 Bonds from the sale or lease of the Community in the event of sale of all or a portion of the Community following an Event of Default.

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

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

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

Limited Assets of the Obligated Group

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

Additions to and Withdrawals from the Obligated Group

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

Additional Indebtedness

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

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

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligated Group and any future Member of the Obligated Group under Series 2021 Obligation will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors’ rights and as additionally described below.

The accounts of the Obligated Group and any future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Obligations, including the Series 2021 Obligation pledged under the Bond Indenture as security for the Series 2021 Bonds.

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

A Member of the Obligated Group may not be required to make any payment on any Obligation, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on Series 2021 Obligation may be voided by a trustee in bankruptcy in the event of bankruptcy of a Member of the Obligated Group, or by third-party creditors in an action brought pursuant to New York fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under New York fraudulent conveyance statutes and common law, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or New York fraudulent conveyance statutes, or the guarantor is undercapitalized.

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

Pursuant to the Master Indenture, each Member of the Obligated Group that pledges its Gross Revenues under the Master Indenture covenants and agrees that, if an Event of Default involving a failure to pay any installment of interest or principal on an Obligation should occur and be continuing, it will

deposit daily the proceeds of its Gross Revenues. Such deposits will continue daily until such default is cured.

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

Prepayment Risks

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

Enforceability of Remedies

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

No Obligation of the State

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

Failure to Provide Ongoing Disclosure

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

Lack of Marketability for the Series 2021 Bonds

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

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

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

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

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

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

Other Possible Risk Factors

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

- (a) Litigation;
- (b) Reinstatement or establishment of mandatory governmental wage, rent or price controls;

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

TAX MATTERS – TAX-EXEMPT SERIES 2021 BONDS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds and the Series 2021D Bonds (collectively, the “Tax-Exempt Series 2021 Bonds”) for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Tax-Exempt Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Tax-Exempt Series 2021 Bonds. Pursuant to the Bond Indenture, the Loan Agreement and the Tax Regulatory Agreement, by and between the Issuer and the Corporation (the “Tax Certificate”), the Issuer and the Corporation have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Tax-Exempt Series 2021 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the Corporation have made certain representations and certifications in the Bond Indenture, the Loan Agreement and the Tax Certificate. Bond Counsel will also rely on the opinion of DelBello Donnellan Weingarten Wise & Wiederkehr LLP as to all matters concerning (a) the status of the Corporation as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code, and (b) that the intended use of the facilities financed or refinanced with proceeds of Tax-Exempt Series 2021 Bonds will be in furtherance of the Corporation’s exempt purposes under Section 501(c)(3) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Issuer and the Corporation described above, interest on the Tax-Exempt Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

State Taxes

Bond Counsel is also of the opinion that, under existing law, interest on the Tax-Exempt Series 2021 Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, including The City of New York, assuming compliance with tax covenants and the accuracy of the representations and certifications described under the heading “Federal Income Taxes” above. Bond Counsel expresses no opinion as to other State of New York or local tax consequences arising with respect to the Tax-Exempt Series 2021 Bonds nor as to the taxability of the Tax-

Exempt Series 2021 Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Tax-Exempt Series 2021 Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Tax-Exempt Series 2021 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Tax-Exempt Series 2021 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Tax-Exempt Series 2021 Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Tax-Exempt Series 2021 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Tax-Exempt Series 2021 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Tax-Exempt Series 2021 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Tax-Exempt Series 2021 Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Tax-Exempt Series 2021 Bonds may be subject to backup

withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Series 2021 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Tax-Exempt Series 2021 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Tax-Exempt Series 2021 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Tax-Exempt Series 2021 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Tax-Exempt Series 2021 Bonds may occur. Prospective purchasers of the Tax-Exempt Series 2021 Bonds should consult their own tax advisors regarding the impact of any change in law on the Tax-Exempt Series 2021 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Tax-Exempt Series 2021 Bonds may affect the tax status of interest on the Tax-Exempt Series 2021 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Tax-Exempt Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Tax-Exempt Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

TAX MATTERS – SERIES 2021E BONDS

Federal Income Taxes

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2021E Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2021E Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2021E Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2021E Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2021E Bonds should consult their own tax advisors

in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2021E Bonds.

The Issuer has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of Series 2021E Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2021E Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2021E Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2021E Bonds.

Taxation of Interest Generally

Interest on the Series 2021E Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2021E Bonds. In general, interest paid on the Series 2021E Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Series 2021E Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2021E Bonds should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2021E Bonds under the Code.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2021E Bonds issued with original issue discount (“Taxable Discount Bonds”). A Series 2021E Bond will be treated as having been issued with an original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2021E Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2021E Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2021E Bond’s “stated redemption price at maturity” is the total of all payments provided by the Series 2021E Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Taxable Discount Bond is the sum of the “daily portions” of original issue discount with respect to such Taxable Discount Bond for each day during the taxable year in which such holder held such Series 2021E Bond. The daily portion of original issue discount on any Taxable Discount Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Taxable Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Taxable Discount Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Taxable Discount Bond at the beginning of any accrual period is the sum of the issue price of the Taxable Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Taxable Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2021E Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

A holder who purchases a Series 2021E Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent

and to treat any gain upon sale or other disposition of such a Series 2021E Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a Series 2021E Bond who acquires such Series 2021E Bond at a market discount also may be required to defer, until the maturity date of such Series 2021E Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2021E Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder's gross income for the taxable year with respect to such Series 2021E Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2021E Bond for the days during the taxable year on which the holder held the Series 2021E Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2021E Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Bond Premium

A holder of a Series 2021E Bond who purchases such Series 2021E Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2021E Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2021E Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2021E Bonds who acquire such Series 2021E Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2021E Bonds.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Series 2021E Bonds

A bondholder's adjusted tax basis for a Series 2021E Bond is the price such holder pays for the Series 2021E Bond plus the amount of original issue discount and market discount previously included in

income and reduced on account of any payments received on such Series 2021E Bond other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2021E Bond, measured by the difference between the amount realized and the bondholder’s tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2021E Bond is held as a capital asset (except in the case of Series 2021E Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2021E Bond are materially modified, in certain circumstances, a new debt obligation would be deemed “reissued”, or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2021E Bond under the defeasance provisions of the Bond Indenture could result in a deemed sale or exchange of such Series 2021E Bond.

EACH POTENTIAL HOLDER OF SERIES 2021E BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2021E BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2021E BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2021E Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a “Non-U.S. Holder”).

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act (“FATCA”), payments of principal by the Issuer or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of the Issuer, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Issuer (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Issuer, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business and that also holds the Series 2021E Bonds must certify to the Issuer or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing federal income tax treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Issuer or its agent with documentation as to his, her,

or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2021E Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2021E Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2021E Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2021E Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2021E Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Series 2021E Bonds shall have no recourse against the Issuer, nor will the Issuer be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2021E Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2021E Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2021E Bonds are outstanding, the Issuer, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Issuer, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the Series 2021E Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder’s federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Issuer, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under “Non-U.S. Holders” above), or has otherwise established an exemption (provided that neither the Issuer nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2021E Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2021E Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder’s particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2021E Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Interest on the Series 2021E Bonds is not exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York. Bond Counsel expresses no opinion as to other state or local tax law consequences arising with respect to the Series 2021E Bonds nor as to the taxability of the Series 2021E Bonds or the income derived therefrom under the laws of any jurisdiction other than the State of New York.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2021E Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021E Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2021E Bonds. Prospective purchasers of the

Series 2021E Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2021E Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021E BONDS.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (“Qualified Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (“Governmental Plans”), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (“Church Plans”), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2021 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties In Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2021 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Issuer were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of the Issuer would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an “equity interest” in the Issuer and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2021 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2021 Bonds, including the reasonable

expectation of purchasers of Series 2021 Bonds that the Series 2021 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2021 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2021 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Issuer, the Corporation, the Trustee, the Underwriter or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2021 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2021 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2021 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2021 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2021 Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2021 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2021 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Issuer, the Corporation, the Trustee, the Underwriter or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2021 Bonds, the purchase of the Series 2021 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2021 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Issuer, the Corporation, the Trustee, the Underwriter or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2021 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-

Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2021 Bonds are subject to the approving opinion of Nixon Peabody LLP, New York, New York, Bond Counsel to the Issuer, whose approving opinion, in substantially the form attached hereto as Appendix D, will be delivered on the date of issuance of the Series 2021 Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, BurgherGray LLP, New York, New York, the Corporation by its counsel, Delbello Donnellan Weingarten Wise & Wiederkehr, LLP, White Plains, New York; and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, New York, New York.

UNDERWRITING

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

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

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

CONTINUING DISCLOSURE

No financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2021 Bonds and the Issuer will not provide any such information. The Corporation has undertaken all responsibilities for any continuing disclosure to owners of the Series 2021 Bonds as

described below, and the Issuer shall have no liability to the owners of the Series 2021 Bonds or any other person with respect to such disclosures.

The Corporation has covenanted for the benefit of owners of the Series 2021 Bonds to provide certain financial information and operating data relating to the Corporation no later than one hundred fifty (150) days after the end of each fiscal year beginning with the fiscal year ending June 30, 2022 (the “Annual Report”), to provide certain quarterly and monthly financial and operating data relating to the Corporation and to provide notices of the occurrence of certain enumerated events, in accordance with the requirements of Rule 15c2-12, as amended (the “Rule”), under the Securities Exchange Act of 1934. The Annual Report, the quarterly and monthly reports and notices of material events, if any, will be filed on behalf of the Corporation with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report, the quarterly reports and the notices of material events is set forth in Appendix E hereto – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

NO RATING

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

LITIGATION

The Issuer

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

The Corporation

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

FEASIBILITY CONSULTANT

The Financial Feasibility Study dated October 1, 2021 included in Appendix B hereto (the “Feasibility Study”) has been prepared by Dixon Hughes Goodman LLP to evaluate the ability of the Corporation to generate sufficient funds to meet its operating expenses, working capital needs and other

financial requirements, including the debt service requirements associated with the Series 2021 Bonds, during the six-year period ending June 30, 2027. The Corporation's forecasted financial statements included in the study have been examined by Dixon Hughes Goodman LLP, as stated in their Examination Report. The Feasibility Study should be read in its entirety. The Feasibility Study is based on assumptions that were provided by, or reviewed with and approved by management of the Corporation. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

OTHER MATTERS

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

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

ISSUER NOT RESPONSIBLE FOR OFFICIAL STATEMENT

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

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

WESTCHESTER COUNTY LOCAL DEVELOPMENT
CORPORATION

By: _____
Chair

Approved:

PURCHASE SENIOR LEARNING COMMUNITY INC.

By: _____
Chair

APPENDIX A

PURCHASE SENIOR LEARNING COMMUNITY INC.

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THE CORPORATION AND THE COLLEGE

General

To support and advance the educational mission of Purchase College, State University of New York (“Purchase College,” or the “College”), the New York State legislature enacted Chapter 405 of Laws of New York of 2011 (as amended by Chapter 257 of the Laws of New York of 2016, the “Enabling Act”) authorizing a 75 year ground lease (the “Ground Lease”) of an approximately 40.05-acre parcel of land on the campus of the College (the “Project Site”) to Purchase College Advancement Corporation (“PCAC”), a not-for-profit corporation organized in 2004 under the laws of New York, for the development and operation in accordance with the Enabling Act of a “senior learning community,” to be known as Broadview Senior Living at Purchase College (the “Community,” or “Broadview”). Purchase Senior Learning Community Inc. (the “Corporation”), a not-for-profit corporation organized under the laws of New York and a tax-exempt organization under section 501(c)(3) of Title 26 of the United States Code, was formed in 2016 to develop and operate the Community on behalf of PCAC. The sole member of the Corporation is PCAC.

The Ground Lease was executed as of March 23, 2017. PCAC and the Corporation entered into a sublease agreement dated as of June 28, 2018 (as amended to date, the “Sublease”), which has a term coterminous with the Ground Lease. The terms of both the Ground Lease and the Sublease commence upon the issuance by the College of a construction permit for the Community. Pursuant to the Sublease, the Corporation is obligated to, at its expense, undertake the development of the first phase of the Community, and to at its election undertake the development of the second phase of the Community, and to pay to PCAC (i) fixed annual base rent (“Base Rent”), and (ii) additional annual rent equal to 75% of the net income of the Community for the prior lease year, taking into account the Community’s debt service and other financial needs, including adequacy of reserves, and compliance with financial covenants (“Additional Rent”). In accordance with the Enabling Act, PCAC is required to remit to the College these proceeds, which are required by the Enabling Act to be allocated by the College as follows: 75% to student financial aid for students who are eligible to receive a tuition assistance award or supplemental tuition assistance and 25% to support additional full-time faculty positions. As defined in the Sublease, “net income” means all revenues from operation of the Community (including Entrance Fees “attrition” (the difference between a refunded Entrance fee for an Independent Living Unit and the Entrance Fee subsequently received for that unit), less (A) Base Rent, (B) all expenditures incurred to operate the Community including employee compensation (including benefits costs), costs of goods and services, costs of insurance, management fees paid to a manager, costs of maintenance, repairs and replacements (recurring and non-recurring) of improvements and utilities, and other miscellaneous expenses of operation (accounting, legal, etc.) (collectively, “Operating Expenses”), (C) debt service costs, (D) reasonable amounts of reserves for Operating Expenses, and (E) reasonably expected net costs of Entrance Fee refunding obligations.

The annual Base Rent for the first two lease years (assumed to coincide with construction of the Community) will be \$250,000; for the next three lease years will be \$2,000,000; thereafter through the 71st lease year will increase by approximately 10% every fifth year; and will be fixed at \$8,000,000 for the final five years of the term. Additional Rent will be calculated based on the trailing lease year’s net income and will be paid only if the Community is in compliance with its financial covenants, including any special covenants of the Loan Agreement specifying conditions under which Additional Rent may be paid. The payment to PCAC of Base Rent and Additional Rent is subordinated to the payment by the Corporation of the debt service on the Series 2021 Bonds (as defined under the heading “PROJECT COSTS”).

Neither the College nor State University of New York (“SUNY”) has any financial or other obligations with respect to the development, construction, or operation of the Community, and there is no recourse to the College or SUNY for any obligations or liabilities of PCAC or the Corporation.

Because the Community will be owned and operated by a not-for-profit corporation and located on land owned by SUNY, and as provided by the Enabling Act will support and advance the educational mission of the College, it will be exempt from real property taxation pursuant to New York Real Property Tax Law Section 420-a.

Governance and Management of the Corporation

The Corporation is managed by a Board of Directors (the “Board”). The bylaws provide that the Board shall consist of at least 3 and no more than 15 Directors, who shall serve 3 year terms, subject to re-election. The Directors’ terms are staggered into three classes, one of which expires each year. It is intended, but not required, that each class include at least one officer of the College. There are currently eleven Directors. The Directors and officers of the Corporation are as follows:

Elizabeth Robertson, Chair of the Board and President of the Corporation, joined the College first as a member of the Purchase College Council, a position to which she was appointed by Governor George Pataki in 2002. In 2010, Ms. Robertson became Executive Assistant to then President Thomas Schwarz. Until 2019, she served as Director of Government Relations and Strategic Projects. In this capacity, she worked closely with state legislators to ensure successful passage of the Enabling Act authorizing the development of Broadview, and developed the framework for the integration of Broadview with the College community. As Chair, she oversees the project’s marketing on behalf of the Board. Ms. Robertson graduated from Williams College and holds an M.B.A. from Columbia University and an Ed.M. from Harvard University. Before joining the leadership staff of the College, she had careers in banking, teaching, and government.

Barry Pearson, Vice Chairman of the Board, Vice President of the Corporation and Chair of the Programming Committee, serves as the College’s Provost and Vice President for Academic Affairs. Provost Pearson has been with the College since 2013. He began his career at Millikin University as Artistic Director and then Chair and Associate Professor of its Department of Theatre and Dance. He served as Director of the university’s Kirkland Fine Arts Center as Dean of the College of Fine Arts, and as Vice President for Academic Affairs. He was the lead facilitator and principal author of the university’s strategic plan. During his tenure as Dean, and later as Vice President, Mr. Pearson oversaw development of several academic building and renovation projects and initiated and managed key capital campaigns. At the College, Provost Pearson’s background in administration and management of academic programs, curriculum development, and budget planning has led to new program development and has been instrumental in program and faculty development in the College’s School of the Arts, School of Liberal Studies, School of Liberal Arts and Sciences and continuing education program. Provost Pearson’s professional theater directing work includes premieres of new plays in Chicago and productions of American classics in Texas and Michigan, including a re-edited version for the stage of Eugene O’Neill’s play *A Touch of the Poet*. He also collaborated on original music scores for Sam Shepard’s play *The Tooth of Crime* and John Steinbeck’s *The Grapes of Wrath*. Provost Pearson holds a B.S. in secondary education from Kansas State University and an MFA in Directing from Indiana University.

Judith Nolan, Board Director and Treasurer of the Corporation, joined the College in 2002 as the College’s Controller. Ms. Nolan became the College’s Chief Financial Officer in 2003, and in 2010 was also elevated to Vice President for Operations. Ms. Nolan serves as Treasurer of the State University Business Officers’ Association, Treasurer of the Purchase College Association, and Secretary of both Purchase College Foundation Housing Corporation and Purchase Housing Corp II, companies formed to develop, finance, construct and operate on campus student residence complexes. Ms. Nolan graduated from Hofstra University with a B.S. in accounting and is a Certified Public Accountant. Prior to joining the College, she was Assistant Treasurer of Hofstra University for ten years. Ms. Nolan began her career as a

public accountant at Seidman and Seidman (now BDO Seidman) and held similar positions in banking and private industry before joining Hofstra University.

Dr. Milagros (Milly) Peña, Board Director, was named the sixth president of Purchase College in 2019, and is the first Latina president in the SUNY system. An accomplished scholar who has published widely in her field, she received her master's and doctorate degree in Sociology from the State University of New York at Stony Brook. Dr. Peña also earned a M.Div. degree from Union Theological Seminary in New York, and a B.A. from Iona College. Prior to joining the College, Dr. Peña served as Dean of the College of Humanities, Arts, and Social Sciences at the University of California Riverside. Dr. Peña spent sixteen years at the University of Florida, ultimately serving as the Associate Dean of the College of Liberal Arts and Sciences. Dr. Peña has published five books as either author or editor as well as numerous chapters and articles in other scholarly publications. She has received several awards for her scholarship, including a Distinguished Book Award for her book *Latina Activists Across Borders* from the Latino/a Section of the American Sociological Association and a Fulbright/Garcia Robles award. The daughter of Dominican immigrants, and the first in her family to graduate from college, Dr. Peña has a deep and personal understanding of the power and importance of education. Her imprint on the College is evident in its promotion of the values of diversity and inclusion.

Thomas J. Schwarz, Board Director, is President Emeritus of Purchase College, and President of Drew University in Madison, New Jersey, a post to which he was appointed in 2020. He served as the fifth president of the College from 2002 to 2019, during which time he served as Board Chair and President of both PCAC and the Corporation. Under President Emeritus Schwarz's leadership, Purchase College was academically restructured to promote greater inter-disciplinary study and collaboration and has experienced a significant increase in retention and graduation rates. Significant construction and renovations were undertaken during his tenure. During President Emeritus Schwarz's tenure, the endowment in the Purchase College Foundation portfolio more than doubled and now is one of the largest in the SUNY system. President Emeritus Schwarz earned a B.A. in Economics from Hamilton College and a J.D. from Fordham Law School. Before his tenure at the College, President Schwarz was a partner of the law firm Skadden, Arps, Slate, Meagher & Flom, where he served as National Practice Leader of the Litigation Department and was the founding partner of the firm's Committee on Diversity. He is a member of the Board of Trustees of Hamilton College, serving as Hamilton College's interim president from January-December 1999.

Carl Austin, Board Director, is the founder and president of Austin Corporate Properties Inc. of Rye Brook, New York. He has over 50 years' experience as a real estate broker and consultant to leading US and foreign corporations, investment banks and insurance companies, including Goldman Sachs and Connecticut General, as well as to governmental agencies. Mr. Austin graduated from Cornell University. He serves on the boards of the Purchase College Foundation, White Plains Hospital Medical Center, and the Westchester County Association.

Michelle C. Ifill, Esq., Board Director, is the founder and president of La Maison Michelle Enterprises and is an executive coach and diversity, equity, and inclusion consultant. Michelle and her husband own and operate a resort and conference venue on Barbados where she hosts a variety of special events and corporate and wellness retreats. Prior to retiring as General Counsel to establish her career in consultancy, Ms. Ifill practiced law at Verizon for nearly 25 years. Ms. Ifill serves as a Vice Chair of the Board of Trustees for Purchase College Foundation, is past Chair of its Governance Committee and serves as a Director of both the Purchase College Foundation Housing Corporation and Purchase Housing Corporation II. Ms. Ifill is also on the Board of the Ron Brown Scholars Program. Ms. Ifill received a Bachelor of Arts from Brown University and law degree from Harvard Law School.

Steve Mabus, Board Director, is the Chief Operating Officer for Horizon Hotels Limited, providing management, investment and advisory services to hotel owners, developers, and investors. Mr.

Mabus is a seasoned hospitality executive with over 40 years' experience in managing hotels, resorts, and conference centers. His expertise includes financial management, strategic planning, operational efficiencies, capital project management, and contract negotiations. His background also includes management of large-scale hotels, ground-up development, and hotel acquisitions. Prior to joining the Horizon Hotels, Mr. Mabus held positions with Sheraton, Hilton, Marriott, Rainbow Room NYC, Benchmark International and Pyramid Hotel Group.

Ernie Palmieri, Board Director, has recently retired as Purchase College's Vice President for Student Affairs, a position he held for six years. Prior to that role, Mr. Palmieri served as the Director of Physical Education, Recreation and Athletics and as Associate Professor of Physical Education for more than twenty-five years. He continues to be active at the College and oversaw the College committee that conducted Broadview's State Environmental Quality Review process. He is currently President and Owner of both Brentwood Studio School of Woodworking and Palmieri Woodworks, Inc. Mr. Palmieri holds a B.S. in Physical Education/Health from Ithaca College and a M.S. in Education from Lehman College City University of New York. He has served as the Superintendent of Recreation and Parks for the Village of Mamaroneck, New York.

Kevin J. Plunkett, Board Director and Chair of the Nominating Committee, is currently Director of Strategic Initiatives at Simone Development Companies, a full-service commercial and residential real estate investment and development Corporation, a position he has held since 2018. An attorney, he started his legal career as an Assistant District Attorney in Westchester County and then spent more than twenty years at Plunkett & Jaffe, a New York tri-state focused regional law firm. He worked at the international law firm of Thatcher Proffitt & Wood for more than seven years before becoming a Partner at the White Plains law firm DelBello, Donnellan, Weingarten, Wise and Wiederkehr, LLP. Mr. Plunkett served as Corporation Counsel to the City of Rye, as Village Attorney in Irvington, Dobbs Ferry, Tarrytown and Mamaroneck in Westchester County, and as Special Counsel to many municipalities. In 2009, he became Deputy County Executive and Chief Operating Officer of Westchester County, a position to which he was appointed by then County Executive Robert Astorino. As the County's Chief Operating Officer, he oversaw more than 4,000 employees, a budget of \$1.85 billion, and the County's wide range of owned and leased properties. Mr. Plunkett is also an active board member for several for-profit and not-for-profit corporations. He earned his undergraduate degree at the College of the Holy Cross, and his J.D. degree at Stetson University.

Earle Yaffa, Board Director and Chair of the Audit Committee, retired as Managing Director of Skadden, Arps, Slate, Meagher and Flom, LLP, where he continues as advisor to the executive partners. Prior to joining the firm, Mr. Yaffa was a partner at Arthur Young & Corporation for seventeen years. He has a M.S. in Management from the Sloan School of Management of Massachusetts Institute of Technology, and a B.S. in Mechanical Engineering from Tufts University. Mr. Yaffa is a CPA and has extensive experience in strategic and financial planning and information systems. Mr. Yaffa has long been involved in local community and social organizations and has served as President of Residents of Windmill, Windmill Club and Fairview Country Club. He is currently on the board of My Money Workshop and the Jewish Healthcare Foundation and on the finance committee of Northern Westchester Hospital.

Wayne Rush is Vice President of the Corporation, Board Secretary, and the Project Manager for the development of the Community. Mr. Rush is not a Board Director. After graduating from Lehigh University with a B.S. in civil engineering, Mr. Rush spent 10 years as a consulting engineer in private practice, during which time he earned his license as a Professional Engineer. For the next 21 years he held a variety of positions including Regional Vice President of Development at Erickson Retirement Communities, a national developer and operator of large-scale continuing care retirement communities and managed the development of over 2,000,000 square feet of new facilities. In 2012, Mr. Rush joined Purchase College to oversee the development of the Community and a new student residence hall.

Purchase College, State University of New York

Purchase College, a public four-year college of arts, liberal arts and sciences, was founded in 1967, and is one of the thirteen comprehensive colleges of the SUNY system. The College accepted its first continuing education students in 1968, its first matriculated students as juniors in 1971, and held its first commencement in 1973. The College is accredited by the Middle States Commission on Higher Education.

Purchase College's more than 500-acre campus is located in Westchester County, 25 miles north of New York City, and includes the Neuberger Museum of Art and The Performing Arts Center. Typical undergraduate enrollment is between 3,800 and 4,200 students, of which approximately 50% are enrolled in liberal arts and sciences, 40% are enrolled in the School of the Arts and 10% are enrolled in liberal studies. During the COVID-19 pandemic, enrollment has been less than normal, but is expected to recover within the next several academic years. In 2019, 86% of freshman and 68% of all undergraduate students resided on the campus. Approximately 80% of its students are New York State residents. Approximately 40% of its students identify as minority, 70% receive financial aid and 18% are first generation students, meaning they are the first in their family to seek a college degree. The College has approximately 450 faculty members, of whom approximately 40% are full-time.

The College is among very few public institutions having both a professional and conservatory arts program and a liberal arts and sciences program on a single campus and within the same academic college. Students in the performing and visual arts, film, and creative writing programs are admitted to the College only after undergoing a portfolio review or audition. The largest programs are visual arts, music, psychology, dance, biology, new media, literature, and design technology. Recent initiatives have led to significant increases in programs such as sociology and graphic design, as well as new programs including arts management and entrepreneurship, playwriting and screenwriting, theatre and performance, and journalism. The liberal studies program admits first-year students and transfer students to the School of Liberal Studies.

The College also has a large and diverse continuing education program ("Continuing Education"). Continuing Education serves over 225 non-matriculated students each semester and administers the College's summer sessions. Continuing Education also provides non-credit classes to students and to the neighboring community, including summer youth programs.

As a mission-driven public institution, Purchase College promotes broad-based, lifelong learning for students of all ages, backgrounds, and incomes, and makes many of its resources available to all. The College presents the visual and performing arts through exhibitions and performances at the Neuberger Museum of Art, which stewards over 6,000 works of contemporary, modern, and African art in its permanent collection, and at The Performing Arts Center, which attracts approximately 140,000 visitors attending more than 200 performances and events annually, as well as in other performance/exhibition spaces around the campus, and offers opportunities for intellectual growth through many free lecture series. The College also operates a day care center, The Children's Center at Purchase, and welcomes use of the center by the local community. The College provides a broad range of opportunities for seniors, including an academic auditing program, a trained docent program at the Neuberger Museum of Art, opportunities for volunteering in a variety of capacities at The Performing Arts Center, and "friends" organizations associated with most academic units of the College.

THE COMMUNITY

General

In 2003, Thomas J. Schwarz, then President of the College, assembled a task force of faculty and staff to determine how to best fulfill the College's commitment to lifelong learning. The outcome was a plan for the development on the campus of a senior residential community focused on intergenerational and life-long learning. In 2004, PCAC was formed to advance the plan and pursue the development of the Community. In 2011, the New York State legislature enacted the Enabling Act, authorizing the Ground Lease of the Project Site to PCAC for the development and operation of the Community.

Under the Enabling Act, PCAC is authorized to, among other things, pursue a project consisting of "the design, construction, reconstruction, demolition, excavating, rehabilitation, repair, renovation, alteration or improvement of a senior learning community," enter into agreements and leases in furtherance of the project, and obtain financing for the project, "whether public or private or secured (including but not limited to, secured by leasehold mortgages and assignments of rents and leases), by [PCAC] and parties contracting with [PCAC], for the purposes of completing the [project]..." described in the Enabling Act. The Corporation was formed in 2016, to undertake the development and operation of the Community, and to obtain financing for the Community.

The Community will be occupied by persons 62 years old or older (or if a couple, one spouse is required to be at least 62 years of age and the other spouse at least 55 years of age), pursuant to a Residency Agreement (see RESIDENCY AGREEMENT, below). The Community is a "refundable Entrance Fee" type of senior residence. The amount of the Entrance Fee varies based on the type and location of the Independent Living Unit (see Entrance Fees and Monthly Fees, below). Residents will also pay a monthly service fee (a "Monthly Fee") which will vary based on the type of Independent Living Unit. In return for payment of the Monthly Fee, residents will receive a variety of services and amenities (see Services to be Provided to Residents, below). The Enabling Act requires that 20% of the Independent Living Units (as defined below) of the Community (a total of 44 Independent Living Units) be affordable to individuals or couples whose incomes at the time of initial occupancy do not exceed 80% of the median household income for Westchester County as calculated by the United States census bureau, and that current residents of Westchester County have priority for occupancy of 50% of the affordable units, provided they meet the income requirement (the "Affordable Apartments"). All of the Affordable Apartments are Independent Living Apartments (defined below). The Independent Living Apartments that are not designated as Affordable Apartments (the "Market Rate Independent Living Apartments") and the Villas (as defined below) are not subject to the same income restrictions as the Affordable Apartments.

Broadview will consist of 174 Market Rate Independent Living Apartments and Affordable Apartments (together, the "Independent Living Apartments") situated in two (2) four-story buildings with parking below; 46 one-story, detached and semi-detached homes (the "Villas") (together, the Independent Living Apartments and the Villas are referred to as the "Independent Living Units"); 36 assisted living beds/suites (the "Assisted Living Beds/Suites") and 32 memory care beds/suites (the "Memory Care Beds/Suites") and related support spaces in a two-story building (the "Health Care Building"); and a 52,000 square foot commons building containing community and amenity spaces (the "Community Building"); together with supporting infrastructure and property site improvements. The Corporation anticipates approximately 400 residents at Broadview upon full occupancy of the initial phase.

The Independent Living Apartments will consist of a mix of unit types and sizes from 675 square foot, one bedroom, one bath units up to 1,900 square foot, two bedroom, two and one-half bath units. The detached and semi-attached Villas will be two bedroom, two and one-half bath homes with a two-car garage and will range between 1,875 and 2,160 square feet. In keeping with the mission and purpose of the

Community, each Independent Living Unit in the Community will have either a separate study, or a dedicated “study nook.” (See Entrance Fees and Monthly Fees below for details on Independent Living Unit sizes and Monthly Fees).

The Community Building will include places for social gatherings, multiple dining venues, a wellness and fitness facility, a spa and salon, an indoor pool, games rooms, a theater, administrative and marketing offices, back-of-house facilities and the Learning Commons consisting of classrooms, studios, a dining venue, gathering spaces, and performance spaces for use by Broadview residents and the College community and will be a place where residents, students and faculty can come together for programmed and informal gatherings, performances, mentoring, tutoring and other educational purposes.

If pursued, future phases of the Community could consist of up to 165 additional independent living units and accompanying amenity and common spaces, as permitted by the Enabling Act. There is no commitment or obligation to construct any future phases, which will be constructed only if there is sufficient future demand for additional independent living units.

Upon completion of the initial phase, Broadview is anticipated to be approximately 550,000 gross square feet of floor space, including an approximately 63,000 square foot enclosed parking area.

Goals of Broadview

The goals of Broadview are to support the educational mission of the College through the provision of revenue to fund scholarships for students, enhance the College’s ability to attract and support faculty, and create an environment fostering inquiry based, intergenerational learning, all in furtherance of the purposes and objectives of the Enabling Act. Equally important, Broadview will provide high quality, service-enhanced independent living, assisted living services, and memory care services, resources that will benefit Westchester County and the surrounding area.

With the addition of the residents of Broadview, the College will become a center for life-long learning. It will offer students of all ages unique, non-conventional access to opportunities for intellectual and social growth through academic, cultural and social activities.

On August 1, 2019, the Corporation and the College entered into a Memorandum of Understanding regarding their shared commitment to intergenerational learning (the “MOU”). Pursuant to the MOU, it is anticipated that there will be three types of educational opportunities offered to Broadview residents: College credit courses, for which Broadview residents will pay standard College tuition rates; non-credit courses offered as part of the College’s Continuing Education programming, for which Broadview residents will pay standard College fees; and an open campus program comprised of free exhibits, lectures, seminars and other events in the Learning Commons and at College venues, including the Neuberger Museum and the Performing Arts Center. Broadview residents will also be welcomed and encouraged to attend student performances, student art exhibits and College athletic events. The College also expects to provide Broadview residents with additional, and in some cases exclusive, access to master classes, dress rehearsals, docent tours, opening receptions and similar events at the Neuberger Museum and the Performing Arts Center.

Description of the Project Site

The Project Site is an approximately 40.05-acre parcel situated in the southwestern portion of the approximately 500-acre Purchase College campus, set back approximately 250 feet and over 450 feet from the campus’s west boundary and Anderson Hill Road, respectively. The Project Site is bounded generally

by Brigid Flanagan Drive to the south and west, and Lincoln Avenue to the east. The Project Site is currently undeveloped, consisting of woods and the Landfill.

Description of the Landfill

The Landfill is an approximately 12-acre portion of the Project Site in which approximately 300,000 cubic yards of primarily construction and demolition debris and dredge material was deposited from late 1999 through 2003. In 2000, the New York State Department of Environmental Conservation (“NYSDEC”) determined that the Landfill constitutes a “solid waste management facility” (a non-exempt construction and demolition debris landfill). On May 4, 2001, the College consented to the issuance of an Order on Consent (in Case No. R3-20001201-143) requiring closure (reclamation) of the Landfill in compliance with State regulations in 6 NYCRR Part 360.

In 2016, SESI Consulting Engineers, P.C. (“SESI”) was engaged to prepare a plan for closure of the Landfill. SESI prepared a Remedial Investigation Work Plan dated April 11, 2016, which was approved by NYSDEC on May 10, 2016. Upon completion of the remedial investigation, SESI prepared and submitted to NYSDEC a Field Investigation and Feasibility Study Report, dated September 2016. On September 19, 2017, SESI submitted to NYSDEC a Landfill Closure Work Plan. NYSDEC responded by letter dated January 30, 2018, requesting continued groundwater sampling and asking for clarification of certain aspects of the proposed Landfill Closure Work Plan, including the storm water management plan for the Landfill area. On May 8, 2018, SESI submitted a revised Landfill Closure Work Plan (the “LCWP”) to NYSDEC, addressing the agency’s comments and requests for clarification. On January 31, 2019, NYSDEC and the College executed a new, superseding Order on Consent # R3-20180627-127 (the “Consent Order”) which approved the LCWP and modified the schedule of work. The Consent Order was amended on October 13, 2020, to update the schedule of required activities.

The plan for closure of the Landfill is to shape and grade the area to make it suitable for use as a landscaped amenity for passive recreational use by residents of the Community and students of the College, and to cover the area with two-foot layer of permeable soil. In the course of this work, if any material is encountered that exceeds any applicable New York State “Restricted Residential Soil Cleanup Objectives,” it will be removed from the Project Site and transported to a licensed facility. The LCWP also includes a limited post-construction groundwater and gas monitoring plan for the Landfill area.

Under the Sublease, the Corporation is obligated to, at its expense, implement the final, approved LCWP as part of the construction of the Community. The cost of implementation of the LCWP and construction of the landscape improvements is expected to be approximately \$2,200,000, and is included in the guaranteed maximum price under the Construction Contract (as hereinafter defined).

The Surrounding Area

The Project Site is located in the hamlet of Purchase in the Town/Village of Harrison in suburban Westchester County, New York, three miles east of White Plains, the Westchester County seat, four miles west of Greenwich, Connecticut and approximately thirty miles north of Manhattan. The immediate surrounding community is affluent and predominately single-family residential, but also includes several large corporate campuses including the world headquarters of PepsiCo, which is located directly across Anderson Hill Road from the College. Contiguous to the College are upscale residential homes to the east, the Westchester County Airport to the north, upscale residential homes and the Old Oaks Country Club to the west, and the PepsiCo world headquarters to the south.

Broadview is well served by interstate highways, the Westchester County Airport, LaGuardia Airport and public transportation, including the Westchester County Bee Line Bus System, the Metro-North

Commuter Railroad and Amtrak. Nearby White Plains, Greenwich, Connecticut, and New York City offer a variety of shopping, restaurants and entertainment.

The entrance to the College on Anderson Hill Road is near Lincoln Avenue, which provides access to Hutchinson River Parkway to the south. Hutchinson River Parkway provides access to Interstates 684 and 287 to the southwest and to the southwestern portions of Connecticut to the east. Interstate 684 terminates at Hutchinson River Parkway to the south and provides access to the Westchester County Airport and northeastern portions of Westchester County and Interstate 287 provides access to White Plains and areas west of the Hudson River to the northeast and to U.S. Highway 1 and Interstate 95 to the southeast.

The College provides a wide variety of cultural offerings and amenities at its Neuberger Museum of Art, the Richard and Dolly Maass Gallery, The Performing Arts Center, and its other theaters and conservatories, and academic buildings. The area surrounding the Community offers shopping, dining, and cultural opportunities. Within ten miles of the Community are the Hudson Stage Corporation, Ars Antiqua, Chappaqua Performing Arts Center, Emelin Theatre, Jacob Burns Film Center, The Capitol Theater, ArtsWestchester and the Westchester Philharmonic.

The City of Rye and the Town of Greenwich are both within five miles of the Community. Rye Nature Center is a 47-acre wildlife preserve with over two miles of hiking trails, ponds, streams, play areas and a museum. The Bruce Museum of Arts and Science in Greenwich is a community-based institution highlighting art, science and natural history. The Greenwich Audubon Center is a 295-acre wildlife sanctuary which includes hiking trails, nature exhibits a children's learning center, nature art gallery and nature store.

Ten golf courses are located within a three-mile radius of the Community including two public courses. Country Club of Purchase and Old Oaks Country Club are adjacent to the College to the east. Other golf clubs within a half-mile of the College are Blind Brook Country Club, Century Country Club and Brae Burn Country Club. Westchester County public golf courses Maple Moor and Saxon Woods, as well as the Town of Greenwich public course, Griffith E. Harris, are a short distance from the Community. The Westchester Country Club and Winged Foot Golf Club are also located within ten miles of the Community.

In addition to Purchase College, other colleges located within ten miles of the Community include Manhattanville College, Westchester Community College, New York Medical College and Iona College.

Market Demographics

Dixon Hughes Goodman LLP (the "Feasibility Consultant") has prepared a financial feasibility study for the Community, which defines the primary market area based on the zip code origins of a majority of the persons who have made a deposit for reservation of an Independent Living Unit, as well as discussions with existing senior living providers in the area and experience with similar communities. The primary market area (the "PMA") for the Independent Living Units has been defined to be a 31-zip code area surrounding the Community, generally spanning approximately 24 miles from north to south, and 12 miles from east to west. The estimated total population within the PMA is 412,352 and the total population within the PMA that is 75 years of age or over is estimated to be 33,018. The Community has also attracted a significant number of its depositors from outside the PMA, including New York City.

To qualify for residency in a Market Rate Independent Living Apartment or Villa, a prospective resident must be at least 62 years of age (or if a couple, one spouse must be at least 62 years of age and the other spouse at least 55 years of age), demonstrate sufficient financial resources to pay the Entrance Fee, Monthly Fee and other expenses related to independent living services not provided for in the Residency

Agreement, and pass a memory and health screening assessment. The Corporation has established certain criteria to assess eligibility of potential residents. The Corporation utilizes a proprietary system named “Examiner” to evaluate a prospective resident’s ability to meet the financial requirements of living at the Community during his or her estimated lifetime.

The Corporation considers two household income scenarios to estimate the number of income-qualified households in the PMA:

- Annual household income of \$75,000 or more, for the smallest one-bedroom Market Rate Independent Living Apartment (Monthly Fee is approximately \$4,400); and
- Annual household income of \$100,000 or more, for the smallest two-bedroom Market Rate Independent Living Apartment (Monthly Fee is approximately \$5,400).

Based on these scenarios, there are an estimated 25,076 income-qualified households with incomes of \$75,000 and over and an estimated 20,023 income-qualified households with incomes of \$100,000 and over in the PMA. According to the United States Census Bureau (2015-2019), the median household income for Westchester County is \$96,610, compared with \$68,486 for the State and \$62,843 for the United States.

For more information on the PMA, see “FINANCIAL FEASIBILITY STUDY” in Appendix B.

Entrance Fees and Monthly Fees

The Community will be a “refundable Entrance Fee” type of senior residence. Residents of the Independent Living Units will pay an Entrance Fee upon admission to the Community. The amount of the Entrance Fee will vary based on the type and location of the Independent Living Unit. Per the Residency Agreement, when a Residency Agreement is terminated, 90% of the Entrance Fee will be refunded within 30 days of the earlier to occur of (i) re-occupancy of the vacated unit and payment by the new resident of the Entrance Fee in full, or (ii) 24 months after the date of termination. If a Residency Agreement is terminated, the resident or their estate will receive the 90% refund of the Entrance Fee, subject to offsets for any outstanding unpaid fees incurred during residency. Residents will also pay a monthly fee for services provided by the Community (the “Monthly Fee”). See “RESIDENCY AGREEMENT” below for additional information.

To reserve an Independent Living Unit, a prospective resident must execute a Residency Agreement, provide a disclosure of health and finances, complete a nurse monitored memory and health assessment, and for a Market Rate Independent Living Apartment or Villa, make an initial payment equal to 10% of the Entrance Fee, or for an Affordable Apartment, an initial payment equal to 5% of the Entrance Fee (the “Entrance Fee Deposit”). The Entrance Fee Deposit is 100% refundable along with any interest earned on the Entrance Fee Deposit if the Reservation Agreement is terminated prior to taking occupancy of their Independent Living Unit. Currently, the annual interest rate being paid on Entrance Fee Deposits is 2%.

Prior to taking occupancy, a prospective resident must pay the remainder of the Entrance Fee (95% for Affordable Apartments; 90% for all other Independent Living Units) not later than 60 days after the date that the Corporation sends written notice to the resident that the Independent Living Unit chosen is or will be ready for occupancy.

Residents will also pay a Monthly Fee for the first resident in an Independent Living Unit for services provided by the Community, the amount of which depends on the type of Independent Living Unit

selected by the resident. An additional Monthly Fee, which does not vary by the type of unit selected, is payable for a second resident living in a Market Rate Unit.

The tables below show the numbers and approximate sizes of the different Independent Living Units, initial Entrance Fees and initial estimated Monthly Fees for the Independent Living Units, and also initial anticipated monthly fees for the Assisted Living Suites and Memory Care Suites, each of which will be single occupancy.

Independent Living Units

Plan Name	Type	Number of Units	Size (SF)	Entrance Fee	Monthly Fee
Affordable Apartments					
Apawamis	1BR-1BA single	24	675	\$250,000	\$3,460
Apawamis	1BR-1BA double	20*	675	\$333,000	\$3,980
Market Rate Independent Living Apartments					
Biltmore	1BR-1.5BA	12	882	\$631,000–652,000	\$4,430
Gedney	1BR-1.5BA Study	16	1,008	\$737,000–758,000	\$4,840
Greenacres	2BR-2BA	16	1,101	\$844,000–870,000	\$5,360
Harrison	2BR-2BA	24	1,167	\$876,000–930,000	\$5,670
Heathcote	2BR-2BA	6	1,297	\$982,000–1,008,000	\$6,080
Hudson	2BR-2.5BA Study	20	1,349	\$1,056,000–1,093,000	\$6,490
Hutchinson	2BR-2.5BA Study	24	1,385	\$1,194,000–1,214,000	\$6,590
Katonah	2BR-2.5BA Study	8	1,628	\$1,433,000–1,485,000	\$7,830
Lafayette	2BR-2.5BA Study	4	1,907	\$1,841,000	\$8,960
Villas					
Mamaroneck	2BR-2.5BA Study	12	1,874–1,920	\$1,722,477–1,792,921	\$9,060–\$9,270
Shenorock	2BR-2.5BA Study	9	1,951–1,999	\$1,851,271–1,856,575	\$9,580–\$9,790
Siwanoy	2BR-2.5BA Study	11	2,001–2,086	\$1,866,547–1,949,404	\$9,890–\$10,090
Strathglass	2BR-2.5BA Study	14	2,097–2,161	\$1,989,188–2,016,930	\$10,200–\$10,400
Total and Weighted Average		220	1,283	\$1,042,688	\$6,281
<i>Second Person Monthly Fee*</i>					\$1,550

* “Single” and “Double” refers to the number of occupants of an Affordable Apartment. The number of Affordable Apartments of each category is estimated.

** Second Person Monthly Fee is the amount added to the Monthly Fee for a second resident in a Market Rate Independent Living Apartment or Villa. There is no increase in the Entrance Fee for a second resident of a Market Rate Independent Living Apartment or Villa.

Assisted Living Beds/Suites and Memory Care Beds/Suites

Broadview will include 36 Assisted Living Beds/Suites and 32 Memory Care Beds/Suites in the Health Care Building. Admission to an Assisted Living Bed/Suite or Memory Care Bed/Suite is subject to a separate agreement from the Residency Agreement.

The Assisted Living Beds/Suites have been designed to foster the continued independence of persons who require varying amounts of assistance with activities of daily living. The Assisted Living Beds/Suites will be private suites with full baths and kitchenettes, with a sink, refrigerator, and cabinetry. The common areas for the Assisted Living Beds/Suites will include a lobby, lounge, arts and crafts area, multipurpose room, library, dining room and administrative support areas. There is a separate main entrance to the Assisted Living Beds/Suites and Memory Care Beds/Suites, in addition to an enclosed walkway from the Community Building.

The Memory Care Beds/Suites will be private suites with full baths that will be furnished with amenities similar to the Assisted Living Beds/Suites, but without kitchenettes. The Memory Care Beds/Suites will have secured access and separate common areas which will include dining rooms, lounges, and activity spaces, plus a secured courtyard for outdoor activities.

The following table summarizes the type, number, approximate square footage, and the monthly service fees for the Assisted Living Beds/Suites and the Memory Care Beds/Suites:

Assisted Living Beds/Suites

	Number	Size	Monthly Service Fee
One Bedroom Private	36	492 SF	\$9,410 per month

Memory Care Beds/Suites

	Number	Size	Monthly Service Fee
One Bed Private	32	308 SF	\$11,940 per month

All residents of the Market Rate Independent Living Apartments and Villas and qualified residents of the Affordable Apartments will receive ten (10) days of care in the Assisted Living Beds/Suites per year and thereafter, receive a ten percent (10%) discount on the monthly service fee of an Assisted Living Bed/Suite or a Memory Care Bed/Suite (the “Health Care Benefit”).

Amenities and Services to be Provided to Residents

The Community will offer residents a wide array of amenities and services including personal care, housekeeping, transportation, security, meals, and social, cultural, educational and activity programming. The Community anticipates providing home health-care services (assistance with daily living activities) on a fee-for-services basis, but will not provide nursing care, or other health related services.

The Corporation may elect to develop relationships with local nursing care providers for assistance with placement of Community residents whose needs have changed, and require licensed skilled nursing care.

Services and amenities offered to residents of the Assisted Living Beds/Suites and Memory Care Beds/Suites will include three meals daily, and full use of social activity areas, outdoor areas, and other common amenities. These residents will also be provided assistance with daily living activities as needed, health care coordination and management, and coordination of a wellness program.

The amenities and services to be provided to residents of Independent Living Units include the following:

Furnishings and Common Areas: Each Independent Living Unit will be furnished and equipped with the following items: carpeting or other selected flooring, refrigerator and freezer with ice maker, range and oven, dishwasher, microwave oven, garbage disposal, washer, dryer, an emergency call system and a telephone/data communications port. Any desired upgrades of furnishings or appliances are required to be paid for by the resident at the time the upgrade is selected. Residents may not make structural changes to a unit without the Corporation’s written approval and, if approved, the changes will be at the resident’s expense.

The centrally located Community Building will contain common areas including multiple dining venues, a convenience store, a library, games rooms, a theater, public lounges, a health and wellness facility, a spa and salon, an indoor pool, and the Learning Commons.

Meal Service: The Community will offer table service in the main dining venues, where breakfast, lunch and dinner will be available. Other casual dining venues will also be available. Broadview will offer a declining balance meal program approximately equivalent to one meal per resident per day, which will be included in the Monthly Fee. Any additional meals will be at an extra cost to the resident. Each Independent Living Unit will be equipped with a full kitchen in which residents can prepare their own meals.

Housekeeping and Laundry Services: Weekly scheduled housekeeping services will be provided, including vacuuming, light housekeeping and laundering and changing of bed linens.

Utilities: Sewer, water, waste disposal, electricity, heating and air-conditioning, and basic cable television, and internet services will be provided to residents at no additional cost. Independent Living Units will also be wired for cable television, telephone and data/communications with residents responsible for all telephone, premium cable television and premium internet service provider charges.

Security and Emergency Alert Systems: Each Independent Living Unit will be equipped with smoke and carbon monoxide detectors, a fire sprinkler system and an emergency alert system, which will be continuously monitored.

Maintenance: All common areas and grounds will be maintained by the Community. Furnishings and equipment described above will be repaired, maintained, and replaced as needed.

Transportation: The Community will provide group transportation to nearby grocery and retail stores, social and cultural events, medical facilities, and other local destinations on a regularly scheduled basis. Sedan service may also be available for an additional fee.

Social, Recreational and Educational Programs: The Lifestyle Director for the Community will coordinate a variety of social, recreational, educational and cultural programs for those residents wishing to participate. Specific programs will be based on residents' interests. The Community expects to actively engage with the College in the provision of educational and cultural programs for the residents. The College is currently creating a robust curricula and programs for the Learning Commons that will engage residents and students of the College.

Insurance: The Monthly Fee will cover all of the Community's insurance needs including property and liability insurance coverage on the buildings and grounds.

Wellness Programming: The Community will provide educational and screening programs promoting wellness and preventive health maintenance.

Parking: Lighted parking areas will be available to all residents. Each resident will be assigned a single enclosed or open parking space at no additional charge. Additional spaces will be available for guests, for Community employees, and for a limited number of residents' second cars.

Additional Services: Certain additional services will be available to residents for additional fees, including additional food service such as extra meals or home-delivered meals, guest meals, catering services in private dining rooms, additional housekeeping services, additional transportation services, beauty, barber, and spa services, home care services, and certain special activities and programs.

Management of Broadview

The Corporation has engaged Life Care Services, LLC (“LCS,” or the “Manager”) to manage Broadview. The Manager is described under the heading “DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW.”

RESIDENCY AGREEMENT

The Residency Agreement

Independent Living Unit residents will occupy their units pursuant to a Residency Agreement. The Corporation will accept residents 62 years of age or older, or in the case of couples, if at least one person is age 62 years or older, and the other is at least 55 years of age, who are capable of living independently as described in the Residency Agreement and who have sufficient financial resources to pay the Entrance Fee, the on-going Monthly Fee and all other daily personal living expenses, while still maintaining a sufficient reserve of assets to provide for changing future needs. The services to be provided and the related fees will be identified in the Residency Agreement.

Financial Policy Regarding Residents

If a resident becomes unable to pay the Monthly Fee or any other charges required under the Residency Agreement, and to the extent any insurance or other benefits are not available or are not sufficient to cover the amounts due from the resident, the Corporation may offset the amounts due against the refundable amount of the Entrance Fee, and may require the resident to move to a less expensive Independent Living Unit. However, the Corporation will not terminate the Residency Agreement if, in its sole judgment, the resident’s inability to pay the Monthly Fee or any other charges required under the Residency Agreement is not the result of negligent, willful or unreasonable dissipation of their assets and does not jeopardize the financial security of the Corporation or the Community’s other residents.

Termination of the Residency Agreement and Refunds

Prior to occupancy, residents have the right to terminate the Residency Agreement, without penalty or forfeiture.

Following occupancy, the Residency Agreement may be terminated by the resident upon 30 days’ prior written notice. If a resident terminates the Residency Agreement within four months of occupancy, 100% of the Entrance Fee will be refunded. If a resident terminates the Residency Agreement after four months of occupancy, 90% of the Entrance Fee will be refunded, subject to offsets for any outstanding unpaid fees incurred during residency. Refunds will be paid within 30 days after the earlier to occur of (i) re-occupancy of the vacated unit and payment by the new resident of the Entrance Fee in full, or (ii) 24 months after the effective date of termination. The Corporation may terminate the Residency Agreement for cause, as defined in the Residency Agreement.

No Property Rights

The Residency Agreement will provide a contractual right of occupancy and the right to receive services. The Residency Agreement will not create the relationship of landlord and tenant between the Corporation and the resident. The Residency Agreement will not confer or give rise to any right, title, or interest in any part of the real or personal property, buildings, improvements and fixtures, furnishings and equipment, owned, leased or administered by the Corporation.

The specific terms and provisions of the form of Residency Agreement offered to prospective residents are subject to change as marketing of the Community progresses.

Health Care Benefit

All residents of the Market Rate Independent Living Apartments and Villas and qualified residents of the Affordable Apartments will receive the Health Care Benefit.

Residents of the Affordable Apartments who can demonstrate adequate financial ability (including the refundable portion of the Entrance Fee owed to the Resident) to pay the monthly service fee for an Assisted Living Bed/Suite or Memory Care Bed/Suite at the time of admission are eligible for the Health Care Benefit. Residents of Affordable Apartments who do not qualify for the Health Care Benefit are not guaranteed admission to an Assisted Living Bed/Suite or Memory Care Bed/Suite.

PRE-FINANCE DEVELOPMENT COSTS

Seed Capital

In 2013, PCAC received a grant from the Purchase College Foundation Housing Corporation (“PCFHC”) in the amount of \$5,070,800, to fund the pre-financing cost of project planning and development (the “Seed Capital”). The Seed Capital and pre-development work-product prepared for PCAC was gifted by PCAC to the Corporation. The Seed Capital will not be repaid by the Corporation from the proceeds of the Series 2021 Bonds (as defined below) or any other source. The Seed Capital is the Corporation’s equity in the Community, and reflects the College’s and PCAC’s commitment to the Community. The Corporation expended the Seed Capital prior to expending the proceeds of the Series 2018 BANs (as defined below).

The Series 2018 BANs

On October 18, 2018, the Westchester County Local Development Corporation (the “Issuer”) issued its Tax-Exempt Revenue Bond Anticipation Notes, Series 2018 (Purchase Senior Learning Community Inc. Project), in the amount of \$15,000,000 (the “Series 2018 BANs”), to finance (i) the costs of the pre-development activities of the Community, including the construction of an off-site marketing office, architectural, engineering, environmental surveys, legal, marketing and other development costs of the Community, and (ii) paying of all or a portion of the costs incidental to the issuance of the Series 2018 BANs, including issuance costs of the Series 2018 BANs. The Series 2018 BANs do not pay current interest. Interest is accreted and paid at final maturity or earlier redemption. The Series 2018 BANs are to be refinanced with the proceeds of the Series 2021 Bonds.

PROJECT COSTS

The Series 2021 Bonds

On September 28, 2021, the Issuer authorized the issuance in one or more series, of its Tax-Exempt Revenue Bonds, Series 2021 (Purchase Senior Learning Community Inc. Project in the aggregate principal amount not to exceed \$400,000,000, and its Taxable Revenue Bonds, Series 2021 (Purchase Senior Learning Community Inc. Project) in the aggregate amount not to exceed \$15,000,000 (the “Taxable Bonds,” and together with the Tax Exempt Bonds, the “Series 2021 Bonds”), provided, however, that the aggregate amount of the Series 2021 Bonds does not exceed \$400,000,000, to finance and refinance the costs of: (i) the development and construction of the Community; (ii) the refunding of the Series 2018 BANs, currently outstanding in the principal amount of \$15,000,000 plus accreted interest in an estimated

amount of up to \$6,000,000; (iii) a portion of the Corporation's initial working capital costs relating to the Community; and (iv) paying of all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2021 Bonds.

DEVELOPMENT, MARKETING AND MANAGEMENT OF BROADVIEW

The Development Consultant

The Corporation has engaged LCSD/SCD Partners, LLC (the "Development Consultant") to provide development consulting services for the Community. The members of the Development Consultant are LCS Development LLC, ("LCSD") and Senior Care Development, LLC, a Connecticut limited liability Corporation ("SCD"). LCSD is a wholly owned subsidiary of Life Care Services, LLC. The Development Consultant specializes in providing planning, development, marketing, management, and strategic consulting services to the senior housing industry.

LCSD and SCD both have extensive experience developing, owning and managing senior living communities, including senior communities similar to the Community. The professional relationship between the Manager, LCSD and SCD began more than twenty-five years ago. The Manager has served as manager for numerous SCD "Life Plan Communities," including Meadow Ridge in nearby Redding, Connecticut and Sedgebrook and Monarch Landing in Chicago, Illinois. The companies' leading market positions are grounded in their shared "resident-centered" philosophies, which emphasize investing in asset improvement and exceeding resident expectations, in turn resulting in strong financial performance.

LCSD started in 1971 as a subsidiary of a Des Moines, Iowa-based general contractor, The Weitz Corporation, and is one of six companies comprising the LCS organization, including the Manager. LCSD provides services for the development, expansion and repositioning of continuing care retirement communities and other senior living communities. LCSD provides services for every phase of senior living development: planning, design, sales and construction. LCSD helps build community occupancy, drive presales and conversion sales, manage resident retention, assist with resident move-in, and develop marketing and sales budgets. Specifically, LCSD provides the following services to its clients: market research, new development site selection and planning, financial feasibility and modeling; analysis of financing alternatives; program development, repositioning and long-range planning; construction management, design management, comprehensive management of the development process, master planning services, and marketing and occupancy development.

Some of the senior living communities in addition to the Community for which LCSD has provided or is providing development and planning services include:

Project Name	Location	Total Development Cost
Trillium Woods	Plymouth, MN	\$165,000,000
Timber Ridge II	Issaquah, WA	131,000,000
Heron's Key at Gig Harbor	Gig Harbor, WA	163,500,000
Kingswood Retirement Living	Kansas City, MO	22,000,000
Laurel Crest	West Columbia, SC	27,500,000
The Delaney at Georgetown Village	Georgetown, TX	49,300,000
The Delaney at Lake Waco	Waco, TX	39,000,000
Dallas Retirement Village	Dallas, TX	50,000,000

The Delaney at Parkway Lakes	Katy, TX	51,200,000
The Delaney at South Shore Harbor	League City, TX	12,200,000
WhiteStone II	Greensboro, NC	75,200,000
The Heritage at Brentwood Village IV	Brentwood, TN	18,000,000
Blakehurst Senior Living Community II	Towson, MD	29,000,000
Burcham Hills Retirement Community	East Lansing, MI	60,000,000
Capital Manor	Salem, OR	69,000,000
Casa de las Campanas I, II, III	San Diego, CA	25,600,000
Cypress Glen Retirement Community II	Greenville, NC	30,000,000
Eastcastle Place	Milwaukee, WI	6,040,100
Friendship Village of Tempe	Tempe, AZ	215,000,000
Laurel Circle	Bridgewater, NJ	27,500,000
Riverwalk Residences of Las Olas	Ft. Lauderdale, FL	139,600,000
Rolling Green Village II	Greenville, NC	147,000,000
Sagewood III	Phoenix, AZ	106,700,000
The Delaney at Bridgewater	Bridgewater, NJ	80,000,000
The Delaney at Florham Park	Florham Park, NJ	200,000,000
Villaggio at San Luis Obispo	San Luis Obispo, CA	102,000,000
Westminster-Austin	Austin, TX	130,000,000
Wyndemere II	Wheaton, IL	20,000,000

SCD is an experienced developer and owner of continuing care retirement communities (“CCRCs”) and other senior living projects. The Corporation has developed two large-scale CCRCs for its own account, has acquired and repositioned four additional distressed CCRCs, and has invested in several others. SCD has also developed and owned five assisted living communities in Connecticut, as well as several stand-alone skilled nursing facilities.

SCD’s experience owning and operating CCRCs began in 1988 with the development of Evergreen Woods, a CCRC consisting of 245 independent living units and 50 skilled nursing beds on 88 acres in North Branford, Connecticut. Consistent with SCD’s long-term ownership philosophy, SCD owned Evergreen Woods for over 14 years before selling the community in 2006.

SCD’s second CCRC, Meadow Ridge in Redding, Connecticut, consists of 285 independent living units, 20 assisted living units, and 62 skilled nursing beds, on 136 acres. Meadow Ridge has been named “one of the finest continuing care retirement communities in the New York metropolitan area” by New York Magazine.

In September 2010, SCD purchased two suburban Chicago continuing care retirement communities, Monarch Landing and Sedgebrook, both originally developed by Erickson Retirement Communities. In June 2012, SCD and its financial partners, including the Manager, purchased The Clare, a continuing care retirement community in downtown Chicago located on land leased from Loyola University of Chicago.

Development Consultant’s Project Team

Todd Shaw, LCSD, Vice President of Development. Mr. Shaw is the Development Consultant’s project manager for the Community and is responsible for budgeting, planning, coordination and oversight of the development process and the development team. He works closely with marketing and market research professionals, architects and engineers, regulatory officials, sponsoring boards, attorneys, lenders, interior design firms, construction companies, and operations management. Mr. Shaw began his career in real estate development and consulting in 1988. He has worked on a variety of projects in his career

including the development and/or repositioning of over 3,000 multi-family, senior housing and single-family residential units. Mr. Shaw worked in the real estate consulting groups of Ernst & Young and PricewaterhouseCoopers LLP and held executive positions at private real estate investment and development companies in Dallas and Los Angeles. He holds a master's degree in Business Administration from Southern Methodist University and a Bachelor of Business Administration from the University of Oklahoma.

Joel Bleeker, LCSD, Vice President, Architecture & Construction. Mr. Bleeker is Vice President of Architecture and Construction for LCS Development and has been with the Development Consultant since 1991. Mr. Bleeker, who has nearly thirty-five years of design experience, is a licensed architect with undergraduate degrees and an MBA from Iowa State University. Mr. Bleeker leads the LCS design management group, which sets standards for project design criteria, directs the design process for each project, and oversees individual project designs and performance of the design teams. During his twenty-four years with LCS Mr. Bleeker has been involved with master planning and/or repositioning thirty communities across the nation.

David Kane, AIA, LCSD, Director of Design Management. Mr. Kane is primarily responsible for managing the design process, including oversight of the design professionals. Mr. Kane's responsibilities include assisting with design programming, scheduling of the design process, maintaining design within budget, and ensuring that the design supports operational goals and objectives. Mr. Kane began his career in senior housing development and consulting in 2003 and has worked on a variety of projects from master planning, large renovations and repositioning of senior communities to developing multi-phase CCRCs. Mr. Kane holds a Bachelor of Architecture degree from Iowa State University and holds Architectural Registration in the State of Iowa.

Rod Keller, LCSD, Senior Finance Manager. Mr. Keller is Senior Finance Manager for LCS. Mr. Keller is responsible for financial analysis of development projects for managed, owned and third-party senior housing clients. Mr. Keller began his career in senior housing development and consulting in 2007. Mr. Keller has worked on a large variety of projects from CCRCs to master planning and repositioning projects. Mr. Keller holds a bachelor's degree in Accounting from Iowa State University.

Erik Gjullin, LCSD, Vice President, Director of Marketing and Sales. Mr. Gjullin joined LCS as Director of Marketing and Sales in 2004. His career in senior living began in 1979 as Development Officer with LeadingAge. In 1989 he transitioned to senior living marketing and sales and has worked with Howell and Associates, ZA Consulting and EMA Management. Mr. Gjullin provides marketing direction in the structuring of services, amenities and pricing, as well as direct management of the sales process from pre-sales through fill-up. Mr. Gjullin also oversees advertising and public relations for new and developing communities. Mr. Gjullin graduated from Georgetown University, School of Foreign Service with a Bachelor of Science Degree in International Affairs.

David Reis, SCD, Chief Executive Officer. Founder of SCD, Mr. Reis is developer and owner of senior living facilities, who has developed and/or has in development over \$1 billion of retirement-oriented projects that span the continuum of care from skilled nursing facilities and assisted living communities to full service continuing care retirement communities. Mr. Reis has partnered with and/or invested in the United States and United Kingdom skilled nursing sectors with Formation Capital since 2001. Through his partnerships and investments with Formation Capital and other investors he has held various interests in over 1,000 nursing homes representing over 95,000 beds in over 39 states in the United States and over 340 nursing homes representing over 22,000 beds in the United Kingdom. In 2006, Mr. Reis started Falcon Investors, LLC, a company dedicated to niche investing in hotels, resorts, branded residential developments, and other hospitality projects. Falcon's first venture was the St. Regis Deer Valley located in Deer Valley, Utah. Falcon is the managing member of the St. Regis Deer Valley ownership group and

oversees all aspects of the project including the recently completed \$40 million hotel renovation and addition of nine residences.

Brett Mehlman, SCD, Chief Operating Officer. Mr. Mehlman joined SCD in 2007 following a 20-year career as a real estate and senior housing lender. From 1994 to 2006, he held senior positions at BNP Paribas, most recently as Managing Director of the Leveraged Finance/Senior Housing Group, for which he originated and supervised 58 CCRC transactions that totaled more than \$3.0 billion, including several college linked and sponsored CCRCs. Prior to that position, Mr. Mehlman managed real estate portfolios and relationships at JP Morgan Chase and UBS.

Denise deFiebre, SCD, Senior Vice President – Acquisitions. Ms. deFiebre has a wealth of experience in the senior living sector, and was a principal at Retirement Living Services, a Connecticut-based Corporation that provided a full range of services to sponsors of senior housing communities. Prior to that role, she was a financial and analytical consultant to Public Financial Management, Inc. on behalf of its tax-exempt clients, and worked in the investment banking group of Kidder, Peabody & Co. Denise holds a master's degree in Public and Private Management from Yale University's School of Management with a concentration in Finance.

Development Consulting Agreement

PCAC and the Development Consultant entered into a Development Consulting Agreement dated August 12, 2014, as amended on October 8, 2014 (the "Development Consulting Agreement"), which was assigned to the Corporation by the Assignment and Assumption Agreement dated as of April 1, 2018 (the "Assignment Agreement"), as amended on December 21, 2018, and as further amended on September 30, 2021. Pursuant to the Development Consulting Agreement, the Development Consultant is providing the following services: (a) all necessary planning to implement the development plan approved by the Corporation (the "Development Plan"); (b) preparation of detailed budgets for each phase of development activity, including a pro forma and budget; (c) development and supervision of the marketing plan for the Community; (d) assistance in obtaining all necessary governmental approvals required for the development and construction of the Community; (e) assistance with the determination of best unit types, designs, and service offerings, and determination of optimal initial pricing of products and services; (f) assistance in securing pre-construction and permanent financing for the Community; (g) preparation and refinement of the architectural program and management and direction of the design consultants in the preparation of the design plans for the Community; (h) assistance in negotiating and awarding construction contracts for the Community and monitoring the progress of construction; and (i) management of the design, procurement and installation of the furniture, fixtures and equipment for the Community.

Pursuant to the Development Consulting Agreement, the Development Consultant is also responsible for the marketing of the Independent Living Units until those units are 90% occupied. In connection therewith, the Development Consultant is required to: (a) develop and supervise the implementation of a marketing and sales program in collaboration with an advertising firm, including promotional, advertising and media campaigns; (b) recruit, train and manage the marketing and sales staff; (c) coordinate the design, construction, and equipping of an information center; and (d) assist with the preparation of any required real estate disclosure documents.

Pursuant to the Development Consulting Agreement, the Development Consultant agrees to contribute up to \$1,000,000 to fund any hard construction cost overruns that are not the result of the Corporation's negligence or of an optional construction change order authorized by the Corporation.

As compensation for the services rendered pursuant to the Development Consulting Agreement, the Corporation will pay the Development Consultant a “Development Fee”, a “Marketing and Sales Fee”, and an “Attrition Fee”.

The Development Fee is equal to 4.25% of Capital Costs (as defined in the Development Consulting Agreement), with a maximum, not to exceed amount of \$10,753,500, and is paid to the Development Consultant in installments upon the achievement of the following milestones:

Milestone	Portion of Fee	Cumulative Portion of Fee
Completion of Development Plan (Paid)	5%	5%
Completion of initial schematic design plans (Paid)	3%	8%
Acceptance by the SEQRA lead agency of the draft environmental impact statement (Paid)	5%	13%
Closing of Series 2018 BANs financing (Paid)	3%	16%
Commencement of sales (collection of 10% deposits) (Paid)	5%	21%
Obtain 10% deposits for 25% of the Independent Living Units (Paid)	6%	27%
Obtain 10% deposits for 40% of the Independent Living Units (Paid)	6%	33%
Obtain 10% deposits for 55% of the Independent Living Units	5%	38%
Closing of Series 2021 Bonds/commencement of construction	10%	48%
Construction administration – paid pro rata monthly with construction progress	14%	62%
Occupancy – paid pro rata monthly with move-ins to 90% occupancy	8%	70%
Achievement of 70% occupancy of the Independent Living Units	10%	80%
Achievement of 90% occupancy of the Independent Living Units	20%	100%

The Marketing and Sales Fee is equal to 2.5% of the total amount of Entrance Fees collected for the initial occupancy of each of the Independent Living Units during the term of the Development Consulting Agreement. Fifty percent (50%) of the Marketing and Sales Fee is due and payable upon receipt of a 10% deposit for an Independent Living Unit and the remaining 50% is due and payable upon the payment of the remainder of the Entrance Fee for that unit.

For a period of ten years after opening of the Community, the Development Consultant will be paid an Attrition Fee equal to 5% of the total amount of the Entrance Fee paid for any Independent Living Unit upon any occupancy subsequent to the initial occupancy of the unit, less the amount of the Entrance Fee refunded to the prior resident of such unit.

Marketing Program and Strategy

The marketing and sale of the Independent Living Units of the Community is subject to New York State regulations (13 NYCRR Section 25.1 – Newly Constructed or Vacant Senior Residential Communities). Under these regulations, the Corporation was required to obtain prior approval from the Office of the Attorney General of the State of New York to solicit indications of interest in the Community from prospective residents (i.e., approval to “test the market”), and then obtain approval of an Offering Plan, allowing the Corporation to fully market the Community and accept monetary deposits from prospective residents. The Corporation obtained approval of the Offering Plan on March 4, 2019.

Broadview has been marketed to prospective residents through a phased marketing program, which included a mail survey and lead generation program, an “Overture Program,” and currently, a 10% deposit

program. Following acceptance of the Offering Plan, which allowed the Corporation to accept monetary deposits, the Corporation concluded the Overture Program. In May 2019, the Corporation began collecting 10% Entrance Fee deposits for reservation of the Independent Living Units.

From May 2019 through March 2020, the Corporation collected 72 net Entrance Fee Deposits from prospective residents who have executed a Residency Agreement, reflecting an average of approximately 6.5 net Entrance Fee Deposits per month. On March 18, 2020, as the COVID-19 pandemic restrictions in New York City metropolitan area were being enacted, the Corporation closed the Broadview sales and marketing center, cancelled all in-person events and the sales team began working remotely from their homes. The Development Consultant and its sales team immediately revamped the marketing strategy to operate in “virtual” environment, holding introductory seminars and follow-up prospect meetings via internet-based Zoom information sessions and meetings. The first virtual seminar was held on April 2, 2020, just two weeks after closing the sales and marketing center.

The marketing effort was aided by the fact that the Corporation made the decision well prior to the COVID-19 pandemic to forego the traditional strategy of building physical model apartments as part of the sales and marketing center. Instead, the Corporation invested in the creation of a fully interactive, three-dimensional virtual reality model of the Community. This allowed prospective residents to “tour” Broadview before it was built, including “walking” the grounds and buildings of the Community, experiencing many of the amenity areas, and touring each residence type. The sales and marketing center includes a virtual reality room where prospective resident can view the Community on a large format television or through an Oculus headset that simulates three-dimensional viewing.

The sales and marketing center reopened on June 15, 2020 but did not hold any in-person seminars until July, 2021. Since the beginning of the COVID-19 pandemic, the sales team conducted over forty online seminars and depositor retention events.

As of September 30, 2021, the Corporation has taken 183 Entrance Fee Deposits, for 83% of the total number of Independent Living Units. Based on self-reported information, depositors for Market Rate Independent Living Apartments and Villas have a median annual income of approximately \$88,127 and a median net worth of approximately \$4.8 million. Depositors for Affordable Apartments have a median annual income of approximately \$44,580 and a median net worth of approximately \$1,057,638. The average age of all depositors (first persons) upon entry to the Community when it is expected to open will be approximately 76 years of age.

Prospective residents terminating the Residency Agreement prior to occupancy will receive a refund of their Entrance Fee Deposit in full with interest.

The following table shows the Entrance Fee Deposits per month since the Corporation began taking Entrance Fee Deposits in May of 2019:

Month Ending	Number of Units Reserved	Number of Cancellations	Net Reservations for Month	Cumulative Units Reserved	Cumulative % of Total Units
May 2019	12	0	12	12	5.5%
June 2019	6	0	6	18	8.2%
July 2019	2	0	2	20	9.1%
August 2019	4	0	4	24	10.9%
September 2019	7	1	6	30	13.6%
October 2019	10	0	10	40	18.2%

November 2019	11	0	11	51	23.2%
December 2019	8	0	8	59	26.8%
January 2020	6	0	6	65	29.5%
February 2020	5	0	5	70	31.8%
March 2020	2	0	2	72	32.7%
April 2020	6	0	6	78	35.5%
May 2020	5	0	5	83	37.7%
June 2020	4	1	3	86	39.1%
July 2020	6	0	6	92	41.8%
August 2020	5	1	4	96	43.6%
September 2020	6	1	5	101	45.9%
October 2020	5	0	5	106	48.2%
November 2020	7	3	4	110	50.0%
December 2020	17	0	17	127	57.7%
January 2021	1	4	-3	124	56.4%
February 2021	4	0	4	128	58.2%
March 2021	5	1	4	132	60.0%
April 2021	8	3	5	137	62.3%
May 2021	9	3	6	143	65.0%
June 2021	8	0	8	151	68.6%
July 2021	13	3	10	161	73.2%
August 2021	17	0	17	178	80.1%
September 2021*	8	2	6	184	83.6%

* Since the Corporation had received verbal, but not formal, notices of intent to cancel from two depositors prior to August 31, 2021, the Feasibility Consultant assumed in the financial feasibility study for the Community that both verbal cancellations occurred in August. However, the two cancellations formally occurred in September and are illustrated as such herein.

The Manager and Management Agreement

PCAC and the Manager entered into an Amended and Restated Management Agreement dated as of August 13, 2018 (the “Management Agreement”), pursuant to which the Manager will serve as the manager of the Community, and in connection therewith, to recommend and regularly evaluate the Corporation’s policies and goals, implement the Corporation’s policies, budgets, and directives, manage the day-to-day operations of the Community in accordance with these policies, budgets, and directives, and make recommendations as to the future operation of the Community. The Management Agreement was assigned by PCAC to the Corporation by the Assignment Agreement. The Management Agreement expires 120 months after the commencement of operation of the Community.

As compensation for services, the Manager will receive a “Monthly Management Fee” equal to the greater of \$30,000 per month (the “Initial Base Fee”), or 5.50% of the total gross operating revenue of the Community. The Initial Base Fee will be increased each January 1, beginning January 1, 2018 (the year following the Effective Date of the Management Agreement), and on each January 1 thereafter based on the increase in the consumer price index.

In addition, the Manager will be paid an “Application Service Provider Fee” for the use of its proprietary marketing, sales, accounting, billing and dashboard technologies, comprised of a one-time setup/activation fee of \$35,000 and an annual fee of \$15,500. The Corporation will also pay a one-time installation fee equal to \$175 per paid employee and an annual fee in the amount of \$50 per paid employee

for use of The Manager's payroll processing system. The Application Service Provider Fee will be adjusted annually in the same manner as the Monthly Management Fee.

The Manager will be paid \$75,000 as a "Pre-financing Stage Consulting Fee" for review of operating projections and Community design and for participation in the preparation of documents related to the Series 2021 Bond financing. This fee is due and payable upon closing of the Series 2021 Bond financing. From commencement of construction until commencement of operations, the Manager will be paid a "Pre-Opening Management Service Fee" for the development and implementation of the operation plan in the amount of \$5,000 per month through the ninth month prior to opening the Community, \$15,000 per month for the eighth through sixth months prior to opening, \$20,000 per month for the fifth through third months prior to opening and \$25,000 per month for the second and first months prior to opening.

The Corporation and The Manager are both permitted to terminate the Management Agreement at any time without cause by giving written notice of termination in accordance with the agreement.

The Manager and its affiliates manage 129 retirement communities serving over 34,000 residents in 33 states and the District of Columbia, ranging in size from 60 units to over 1,700 units. The Manager manages retirement communities owned by for-profit and not-for-profit sponsors. The Manager is the third largest manager of retirement communities in the United States measured by total number of units. Entrance fee communities with more than 300 residents that the Manager and its affiliate are managing include the following:

Community	City	State	Total Units
Atlantic Shores	Virginia Beach	VA	669
Blakehurst	Towson	MD	339
Brandon Wilde	Evans	GA	345
Capital Manor	Salem	OR	378
Carillon	Lubbock	TX	419
Casa de las Campanas	San Diego	CA	489
Catholic Care Center	Bel Aire	KS	319
Cedars of Chapel Hill, The	Chapel Hill	NC	376
Clare, The	Chicago	IL	321
Croasdaile Village	Durham	NC	585
Cypress Village	Jacksonville	FL	510
Cypress of Charlotte, The	Charlotte	NC	370
Cypress of Hilton Head, The	Hilton Head Island	SC	380
Cypress of Raleigh, The	Raleigh	NC	301
Dallas Retirement Village	Dallas	OR	344
Freedom Plaza	Sun City Center	FL	620
Freedom Pointe at The Villages	The Villages	FL	381
Freedom Square of Seminole	Seminole	FL	693
Freedom Village	Holland	MI	387
Freedom Village at Brandywine	Coatesville	PA	422
Freedom Village of Bradenton	Bradenton	FL	707
Friendship Village Kalamazoo	Kalamazoo	MI	360
Friendship Village Tempe	Tempe	AZ	722
Greenwood Village South	Greenwood	IN	428
Harrogate	Lakewood	NJ	321
Henry Ford Village	Dearborn	MI	1040
Heritage at Brentwood, The	Brentwood	TN	387
Lake Port Square	Leesburg	FL	551
Lake Seminole Square	Seminole	FL	337
Marquette	Indianapolis	IN	412
Meadow Ridge	Redding	CT	368
Mercy Ridge	Timonium	MD	455
Monarch Landing	Naperville	IL	458
Park Springs	Stone Mountain	GA	521
Peabody Retirement Community, Inc.	North Manchester	IN	366
Regency Oaks	Clearwater	FL	471
Sagewood	Phoenix	AZ	438
Sedgebrook	Lincolnshire	IL	588
South Port Square	Port Charlotte	FL	614
StoneRidge	Mystic	CT	302
Summit Vista	Taylorsville	UT	1702
Timber Ridge at Talus	Issaquah	WA	389
Virginian, The	Fairfax	VA	323
Westminster	Austin	TX	434
Westminster Village Terre Haute	Terre Haute	IN	317
Wyndemere	Wheaton	IL	417

The Manager provides management services from its home office in Des Moines, Iowa and regional offices in Charlotte, North Carolina; Indianapolis, Indiana; Delray Beach, Florida; San Diego, California; and St. Louis, Missouri. The principal officers of the Manager include:

Joel Nelson. Mr. Nelson is President and Chief Executive Officer of LCS. He has experience with all phases of real estate acquisition, development, operations, marketing and sales. He is responsible for executing the business strategy across the various business lines of LCS and its affiliates. Mr. Nelson serves on the board of managers for Life Care Companies, LCS Holdings, and is past-chair and a current member of the Investment Committee. Mr. Nelson is a member of the National Investment Center operator advisory board and the Central Iowa Alzheimer's Association board. He is also past chair and current board member of Child Serve, Inc., a nonprofit corporation in Des Moines, Iowa that serves children and families with complex health care needs. Mr. Nelson earned a Bachelor of Science degree in health service administration from Simpson College.

Chris Bird. Mr. Bird is Executive Vice President/Chief Operating Officer of LCS. By leading operations, building community occupancy, fostering capital partner relationships, and developing new business, Chris implements strategies to deliver on the expectations of owners and shareholders. Mr. Bird oversees LCS, asset management, procurement, and onboarding operations. His ability to analyze issues, devise continuous process improvements, and incorporate business process initiatives drives performance improvement for the overall operation. He is a member of the LCS Board of Directors and the LCS Audit Committee. Also, Mr. Bird is a member of the Argentum Advisory Council and the Argentum Chief Operating Officer Roundtable. He holds a bachelor's degree in history from the University of Memphis, Tennessee.

Diane Bridgewater. Mrs. Bridgewater is Executive Vice President/Chief Financial and Administrative Officer of LCS. She joined the organization in 2006 after serving in several executive level positions with Pioneer Hi-Bred International, a DuPont Corporation ("Pioneer"). In her years with Pioneer, she held a number of operational and financial roles including: Chief Financial Officer, Vice President and Business Director for North America, Director of Customer and Sales Services for Seed and Crop Protection, Worldwide Finance Director, and other roles. She started her career with KPMG. She earned her undergraduate degrees in Accounting and French from the University of Northern Iowa and received her CPA certification in 1986. She currently serves on the boards of LCS Holdings, Inc., Life Care Companies LLC, Casey's General Stores, and Bankers Trust.

Rick Exline. Mr. Exline joined LCS in 1978 and is responsible for the oversight of the Corporation's CCRCs including third party and investment senior living management services. He oversees the communities' senior living management teams, health care group, national sales, new business development and life plan community development teams. He serves on the board of managers for Life Care Companies LLC, the board of directors for LCS Holdings, Inc., executive leadership and senior living management teams. Rick is also a trustee for the Corporation's 401(k) benefits program as well as serving on the board of trustees for Simpson College. He holds dual bachelor's degrees in Business Administration from Simpson College and in Health Care Administration from Oklahoma Baptist University. He is a graduate of the Executive Institute at The University of North Carolina at Chapel Hill.

Chuck Murphy. Mr. Murphy is the Executive Vice President/Senior Managing Director of Development and Real Estate for LCS. He is responsible for strategy and performance oversight of the LCS Development and LCS Real Estate companies for the parent Corporation, Life Care Companies. He has over thirty years' experience in developing, acquiring, and managing commercial real estate. His career includes leadership roles at The Walt Disney Corporation, Security Capital Group, GE Capital, and Hammes Corporation. Murphy graduated with a Bachelor of Science in Economics and a Master of Science in Real Estate Investment Analysis, both from The University of Wisconsin-Madison. He is a board member

of the James A. Graaskamp Center for Real Estate at The University of Wisconsin, and a full member of the Urban Land Institute.

Jill Sorenson. Ms. Sorenson is the Senior Vice President/Senior Director of Life Plan Communities for LCS. She provides oversight over a portfolio of communities. She has been with LCS since 1982. After spending fifteen years at the LCS corporate office in Des Moines, Iowa working in the areas of accounting, information technology, and corporate resource manager, she was promoted to Administrator and eventually Executive Director of a continuing care retirement community in San Diego, California. She was promoted to Director of Operations Management in 2007, to Vice President in 2010, and to Senior Vice President/Senior Director of Life Plan Communities in 2012. She holds an MBA from the University of Phoenix and a Bachelor's Degree in Business Administration from Simpson College. She also served as a CARF/CCAC site evaluator from 2000-2007. She has presented at various industry conferences on a state and national level on a variety of topics affecting the senior living industry.

Jason Victor. Mr. Victor is Vice President/Controller, Treasurer and a Manager of LCS. He joined LCS in 2007 and currently has responsibility for the organization's Corporate Accounting, Treasury and Tax functions. He oversees all aspects of general accounting, cash management, payroll, consolidations, and financial reporting. In addition, Mr. Victor provides oversight and guidance related to audits, internal controls, technical accounting, tax, and financial management systems. He started his career with Ernst & Young and later spent nine years in various finance positions with Praxair, a Fortune 500 organization. He earned his undergraduate degree in Accounting from the University of Northern Iowa and currently holds an active CPA license in the state of Iowa. He also serves on the board of directors of Hexagon Insurance Corporation, Ltd.

DESIGN AND CONSTRUCTION OF BROADVIEW

The Architecture and Engineering Services Agreement

In August 2015, PCAC and HCM Design, Inc. ("HCM") entered into a contract for architecture and engineering services (the "A&E Agreement"). The A&E Agreement was assigned to the Corporation by the Assignment Agreement.

Since its founding in 1977, HCM has designed more than 23,000 units of multi-family housing with a construction value of over \$1.7 billion, including senior independent facilities, continuing care retirement communities, and assisted living facilities. HCM is a 180-person firm with award-winning senior living, multi-family, mixed-use, healthcare, education, landscape architecture and planning studios to serve the diverse needs of their clients.

Senior communities designed by HCM or its principals include:

<u>Project Name</u>	<u>Location</u>
Representative CCRCs:	
Heritage at Brentwood	Nashville, TN
Marsh's Landing	St. Simon's Island, GA
Mercy Ridge	Timonium, MD
Williamsburg Landing	Williamsburg, VA
Cherry Ridge	Webster, NY
Representative University-Affiliated CCRCs:	
Evergreen – University of Wisconsin-Oshkosh	Oshkosh, WI
Kendal at Furman University	Greenville, SC
Rowan Boulevard – Rowan University	Glassboro, NJ
Representative New York Projects:	
Brightview Senior Living	Various (3 locations)
Kingsborough Community College	Brooklyn, NY
St. John's Woods	Rochester, NY
Acacia Village Masonic Home	Utica, NY
The Village at the Highlands	Pittsford, NY

Pursuant to the A&E Agreement, HCM serves as the architect of record for Broadview and leads the project design from master planning through the end of construction. Under the A&E Agreement, HCM provides the following services: master planning, initial and final schematic design, design development, preparation of construction documents, review of construction bids, and construction administration. HCM is also required to engage and supervise structural, mechanical, electrical, fire protection and other engineering consultants, as well as interior design and food service consultants. The costs of these services are included in the base fee paid to HCM.

HCM's base fee is \$4,250,000, not including certain additional services for which it will be paid in accordance with an hourly fee schedule.

The Construction Manager and Construction Management Agreement

The Whiting-Turner Contracting Corporation has been selected as construction manager (the "Construction Manager"). PCAC and Construction Manager entered into an AIA® Document A133TM – 2009 Standard Form of Agreement Between Owner and Construction Manager as Constructor (the "Construction Contract") on June 16, 2017, which was assigned to the Corporation by the Assignment Agreement. Based in Baltimore, Maryland, the Construction Manager has been in business since 1909. It is one of the nation's largest construction management and general contracting companies, with estimated revenue of \$10.3 billion in 2020 and a bonding capacity of \$4 billion. The Construction Manager provides the full spectrum of construction services on projects small and large in sectors including retail, office, education, health care, life sciences, technology, transportation and utilities. Over the past ten years, the Construction Manager has worked on over 250 senior living projects with a total dollar value of more than \$1.8 billion comprising more than 20 million square feet. A representative list of retirement community projects with a contract value of more than \$10 million on which the Construction Manager has worked over the past five years includes the following:

Project Name	City	State	Current Project Value
Falcons Landing - Memory Care and Terrace Homes	Potomac Falls	VA	35,550,212
Artis Senior Living of Somers	Somers	NY	18,788,470
Woodlands at Reid Temple	Glenn Dale	MD	39,855,082
Ventana by Buckner	Dallas	TX	143,702,118
Alexandria Memory Care	Alexandria	VA	22,209,730
Northern Virginia's Puller Veteran's Care Center	Vint Hill	VA	61,221,337
Edgewood Retirement Community, Inc. - The Baldwin	Londonderry	NH	100,000,000
Red Run Station	Owings Mills	MD	11,000,000
Highland Springs- RB2.3 and Community Building	Dallas	TX	32,358,454
Ashby Ponds- Community Building 3.0 (Blue Ridge Club House)	Ashburn	VA	14,725,724
Ashby Ponds - Independent Living Building 3.2 (Hamilton Way)	Ashburn	VA	51,929,446
Eagle's Trace- RB2.3 and Commons Building	Houston	TX	43,972,596
Charlestown- Skilled Nursing Repositioning- Phase 2	Catonsville	MD	41,488,834
Ashby Ponds - Independent Living Building 3.3	Ashburn	VA	37,834,349
Windsor Run Retirement Community- RB1.3 (Phase 1B)	Matthews	NC	25,554,283
Lantern Hill Building 6	New Providence	NJ	67,951,685
Eagle's Trace RB 2.2	Houston	TX	26,793,512
Highland Springs - CB 2.0 Magnolia Place	Dallas	TX	11,225,567
Highland Springs - RB 2.2	Dallas	TX	28,805,995
Lantern Hill Phase 2- Building 4	New Providence	NJ	18,712,935
Ashby Ponds - Independent Living Building 2.5 (Birch Point) & 2.6	Ashburn	VA	48,893,329
Maris Grove- RB3.3	Glen Mills	PA	30,281,224
Oak Crest- Town Center Renovation	Parkville	MD	14,121,845
Windsor Run Retirement Community	Matthews	NC	65,240,759
Ashby Ponds - Independent Living Building	Ashburn	VA	35,367,652
Highland Springs	Dallas	TX	26,677,688
Charlestown- Caton Woods- New Assisted Living Building- Phase 1	Catonsville	MD	25,172,270
Ashby Ponds - Independent Living Building 2.3 (Magnolia Place)	Ashburn	VA	19,271,734
Maris Grove	Glen Mills	PA	43,331,593
Evergreen Village at Bloomington	Bloomington	IN	13,094,835
Goodwin Alexandria Small House	Alexandria	VA	39,152,777
Elizabeth House III	Silver Spring	MD	120,000,000
Westminster House	Baltimore	MD	19,949,208
Westminster at Lake Ridge - Westminster OnWard	Lake Ridge	VA	16,578,523
Ingleside at King Farm-Phase 1A Dining Expansion & Renovation	Rockville	MD	11,843,844
Ingleside at King Farm Phase 2 Expansion	Rockville	MD	112,454,057
Ingleside at Rock Creek Creekside	Washington	DC	130,281,383
H. Fletcher Brown Apartments Addition - DE	Wilmington	DE	10,311,944
Campus Repositioning & Expansion	Mechanicsburg	PA	57,815,237
The Tower at The Tradition II	West Palm Beach	FL	69,933,441
Short Term Rehab. & Renovations	West Palm Beach	FL	39,783,377
Roland Park Place - Expansion (Phase 2 - New Independent Living)	Baltimore	MD	41,072,333
Phase 1 Reposition and Expansion	Baltimore	MD	24,077,830
Brightview Rolling Hills	Catonsville	MD	19,151,267
Silverstone Alexandria	Alexandria	VA	66,603,307
Silverstone Rockville	Rockville	MD	45,982,488
HarborChase at Prince William Commons	Woodbridge	VA	30,264,218
Stella Maris Master Plan & Repositioning	Timonium	MD	25,130,399
Sunrise-McLean Assisted Living & Memory Care Building	McLean	VA	34,000,000
Sunrise Senior Living - Old Town Alexandria, VA	Alexandria	VA	35,127,915

Horizon Ridge Skilled Nursing and Rehabilitation Center	Henderson	NV	14,449,866
Vantage House - Repositioning & Expansion	Columbia	MD	11,720,650
Westminster Canterbury of Lynchburg Expansion and Renovation	Lynchburg	VA	41,702,463
Westminster-Canterbury Renovation & Addition	Virginia Beach	VA	30,977,354
The Summit-Retirement Community	Hockessin	DE	37,924,627

The Construction Contract is a “cost-plus” agreement with a guaranteed maximum price of \$280,000,000, inclusive of the actual cost of the work including a contractor’s contingency, the Construction Manager’s general conditions, and the Construction Manager’s fee equal to 1.68% of the cost of the work. The construction budget includes the guaranteed maximum price as described above plus an owner’s change order contingency of \$8,255,750. The Construction Contract provides that the Corporation and the Construction Manager will share in savings resulting from a difference between the agreed-upon guaranteed maximum price and the actual costs of the Project, 10% to the Corporation, and 90% to the Construction Manager.

The Construction Contract requires the Construction Manager to achieve substantial completion of the Project no later than 26 months after receiving from Corporation a formal notice to proceed. The Construction Manager is also required to meet certain critical milestones (the “Milestones”) during construction for delivery of certain Project buildings for occupancy. The Construction Contract provides for liquidated damages paid by the Construction Manager to the Corporation as follows:

Milestone 1: Substantial completion and temporary certificate of occupancy (“TCO”) for the Commons Building and one of either the east or west Independent Living Apartment buildings.

Milestone 2: Substantial completion and TCO of the remaining east or west Independent Living Apartment building.

Milestone 3: Substantial completion and TCO of the first 16 Villas.

Milestone 4: Substantial completion and TCO of the remaining 30 Villas.

Milestone 5: Substantial completion and final certificates of occupancy of the project.

The Construction Contract provides for liquidated damages (“LDs”) to be paid by the Construction Manager to the Corporation for failure to meet the Milestones as follows:

Milestone	Milestone Date (Mos. After Notice to Proceed)	LDs	LDs	LDs	LDs
		Days 0-60 after Milestone Date (\$ per day)	Days 61-120 after Milestone Date (\$ per day)	Days 121-180 after Milestone Date (\$ per day)	Days 181+ after Milestone Date (\$ per day)
1	22	\$0	\$4,800	\$8,400	\$12,000
2	25	\$0	\$4,800	\$8,400	\$12,000
3	15	\$0	\$1,400	\$2,600	\$3,800
4	20	\$0	\$2,600	\$4,900	\$7,200
5	26	\$0	\$3,000	\$6,400	\$9,600

The Construction Contract also for an early completion bonus to be paid to Construction Manager for any Milestone completed more than thirty days prior to any Milestone Date as follows:

Milestone	Milestone Date (Mos. After Notice to Proceed)	Bonus Days 30+ Prior to Milestone Date (\$ per day)
1	21	\$4,800
2	24	\$4,800
3	15	\$1,400
4	18	\$2,600
5	27	\$3,000

The Construction Manager is required to provide a payment bond and a performance bond including a dual obligee rider naming the Master Trustee. The amount of both the payment bond and the performance bond shall each be equal to the guaranteed maximum price. If the guaranteed maximum price is increased by change order(s), then the amount of the payment bond and the performance bond shall automatically increase to conform to the adjusted guaranteed maximum price.

The Construction Contract contains a standard one-year period for correction of work, which obligates the Construction manager to come back to the Project and correct any deficiencies that are discovered within one year following substantial completion. In addition, the Construction Contract contains a workmanship warranty that is not limited to one year.

Construction Monitor

The construction consulting firm of Alcala Construction Management, Inc. (the “Construction Monitor”), a full-service national construction consulting Corporation founded in 2007 that specializes in the senior living industry, is serving as bondholders’ representative to monitor construction progress, make periodic inspections for quality assurance, and to review and approve contractor requests for payment. The Construction Monitor has developed unique and proprietary, industry-specific due-diligence, construction consulting and facility assessment services to fulfill financial institutions’ requirements for start-up, expansion and renovation projects.

During the construction period, the Construction Monitor will specifically be responsible for the following actions: (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) reviewing change orders, budget amendments, updates to the construction schedule, releases of liens, governmental approvals and the final as-built survey.

Permits and Approvals

The development and operation of the Community is specifically authorized by the Enabling Act and will be implemented on lands owned by the State University of New York, leased to PCAC, and subleased to the Corporation, solely for the purpose of developing and operating the Community. The Enabling Act expressly recites the State Legislature’s finding that “the provision of a senior learning community upon the grounds of the state university of New York at Purchase is appropriate to further the objectives and purposes of the state university of New York.” Consequently, development of the Community is not subject to municipal land use and zoning regulations and controls, or to local building codes and permit requirements. The College will issue all construction permits and certificates of occupancy for the Community. The Corporation has retained H2M Architects and Engineers (“H2M”) to perform a review of the construction documents and to certify to the College that they comply with all applicable codes and regulations. H2M will also perform inspection services during construction and certify to the College that the Community has been constructed in substantial compliance with the construction

documents and all applicable codes and regulations. The Office of Fire Prevention and Control of the New York State Division of Homeland Security and Emergency Services will serve as the governmental agency for inspection and enforcement of the New York State Uniform Fire Prevention and Building Code.

Under the Ground Lease, the College will review, or rely on third party review, and approve all plans and specifications for the Community, and will issue construction permits, conduct or rely on third parties for construction inspections related to health and safety, and issue certificates of occupancy for completed buildings. Accordingly, by letter dated March 29, 2016, PCAC requested that the College “take all steps required by applicable law and regulation to become the designated lead agency for ‘coordinated review’ of the [project] under [the State Environmental Quality Review Act].” By letter to PCAC dated April 6, 2017, Thomas J. Schwarz, then President of Purchase College, acknowledged receipt of “the application by Purchase College Advancement Corporation... for approval by Purchase College of a Senior Learning Facility proposed to be developed by PCAC on the Purchase College campus,” and advised that the College, acting by its President, had duly formed a committee consisting of members of the College administration and faculty to serve as the lead agency for review of the project. The Purchase College Senior Learning Community Review Committee (later renamed The Purchase College Lead Agency Committee) (the “Committee”) was thereafter duly established as lead agency for coordinated review of the project in accordance with State Environmental Quality Review Act (“SEQRA”) regulations, without objection from any other involved (or interested) agency, including New York State Department of Environmental Conservation and the Town/Village of Harrison. The Committee subsequently issued a positive declaration of environmental significance requiring the preparation of a draft environmental impact (“DEIS”) for the project, held a public scoping session on the DEIS, accepted the DEIS complete and adequate with respect to its scope and content for the purpose of commencing public review, held a duly noticed public hearing on the DEIS, accepted/filed a final environmental impact statement for the project, and on October 19, 2017, issued the College’s written findings statement, thereby concluding the review of the project under SEQRA.

Final construction plans have been reviewed by H2M, a third-party consultant. H2M has certified to the Purchase College Office of Capital Facilities and Planning (“OCFP”), which is responsible for management and administration of all construction activities at the College in accordance with State University of New York policies and procedures, including issuance of construction permits for the Community, that the plans and specifications comply with all applicable codes and regulations. OCFP will issue the construction permit for the Community immediately prior to closing of the Series 2021 Bonds. Applications have been submitted to the Westchester County Department of Health for approval for sanitary sewer service and water service connections and facilities. Sanitary sewer, water, natural gas, electric, and telecommunications utility services are all available to the Project Site.

The Assisted Living Beds/Suites and Memory Care Beds/Suites will be licensed by the New York State Department of Health (“NYSDOH”) as an Enhanced Assisted Living Residence. The Corporation expects to apply for licensure (Part 1 of the Assisted Living Common Application) to NYSDOH by the end of the year 2021. The Corporation has engaged the law firm of Duane Morris LLP to assist in the application and approval process.

The marketing and sale of the Independent Living Units is governed by an Offering Plan for the Community approved by the Office of the Attorney General of the State of New York. on March 4, 2019. The Offering Plan was subsequently amended in January 2020 (for an Entrance Fee increase), amended (for a change in Entrance Fee Deposit escrow provisions) and extended in February 2020, amended (for an Entrance Fee increase) and extended in February 2021, and extended in July 2021. The Offering Plan is required to be extended every six months.

Environmental Site Assessment

A Phase I Preliminary Assessment Report, dated June, 2021, was prepared by SESI Consulting Engineers for the Project Site (the “Phase I ESA”). The Phase I ESA is based on review of federal, state and local records and physical inspection of the Project Site. The Phase I ESA recommends that Landfill closure activities be performed in accordance with the Consent Order. The Phase I ESA does not identify any recognized environmental conditions other than the Landfill.

INSURANCE

Pursuant to the Master Indenture, the Corporation is required to maintain insurance at its sole cost and expense with respect to the Community, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect the Community and operations, with the Master Trustee named as an additional insured and loss payee on all such policies. The Corporation will maintain insurance in the amounts noted in the table below:

<u>Coverage Type</u>	<u>Limits During Construction</u>	<u>Limits When Operational</u>
Property	Based on hard and soft costs per schedule of values.	Based on total insurance value upon completion of project (Replacement Cost).
General Liability	\$1 Million/\$2 Million/\$2 Million	\$1 Million/\$2 Million/\$2 Million
Excess Liability	At least \$25 Million to \$50 Million	At least \$5 Million
Delayed Opening/Business Interruption	Part of Builder’s Risk policy	At least \$3.5 Million
Directors & Officers Liability	At least \$10 Million	At least \$10 Million
Automobile Liability	\$1 Million	\$1 Million
Workers Compensation	Statutory	Statutory/Employer
Employer Liability	\$ Million/\$1 Million/\$1 Million	\$1 Million/\$1 Million/\$1 Million

Commencing with the opening of the Community and thereafter, at least once every two fiscal years with respect to commercial insurance and at least once every fiscal year with respect to self-insurance, the Corporation will cause a certificate from an insurance consultant to be delivered to the Master Trustee which indicates that the insurance then being maintained by the Corporation meets the standards in the Master Indenture.

End of Appendix A

APPENDIX B
FINANCIAL FEASIBILITY STUDY

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Purchase Senior Learning Community Inc.

Financial Feasibility Study

Six Years Ending June 30, 2027

Purchase Senior Learning Community Inc.

Financial Feasibility Study

Six Years Ending June 30, 2027

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INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

Board of Directors
Purchase Senior Learning Community Inc.
Purchase, New York

We have prepared a financial feasibility study of the plans of Purchase Senior Learning Community Inc. (the "Corporation") to undertake the development of a senior living community to be known as "Broadview Senior Living at Purchase College" (the "Community") located in Purchase, Westchester County, New York. The Community is expected to include 220 independent living units (the "Independent Living Units"), 36 assisted living units, 32 memory support assisted living units, and associated common and administrative spaces.

The Corporation was formed in 2016 to develop and operate the Community on behalf of Purchase College Advancement Corporation ("PCAC") and is a not-for-profit corporation organized under the laws of New York and a tax-exempt organization under section 501(c)(3) of Title 26 of the United States Code. The sole member of the Corporation is PCAC.

The Corporation has retained Life Care Services LLC (the "Manager") to manage and operate the Community. The Corporation has retained LCSD/SCD Partners, LLC as the development consultant (the "Development Consultant") to provide development consulting services for the Community and to market the Independent Living Units until initial occupancy of 90 percent of the Independent Living Units has been achieved. The members of the Development Consultant are LCS Development LLC ("LCSD"), an Iowa limited liability company, and Senior Care Development, LLC, a Connecticut limited liability company ("SCD"). Management of the Corporation and the Manager are collectively referred to as "Management".

The feasibility study was undertaken to evaluate the Corporation's ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed issuance of \$392,245,000 Westchester County Local Development Corporation Revenue Bonds (Purchase Senior Learning Community, Inc. Project), Series 2021 (the "Series 2021 Bonds").

The Corporation's underwriter, Herbert J. Sims & Co. Inc. (the "Underwriter"), has provided the assumed structure and terms for the Series 2021 Bonds as follows:

- \$213,805,000 of non-rated tax-exempt fixed rate bonds (the "Series 2021A Bonds"), assumed to be issued at an original issue premium, consisting of term maturities to July 1, 2056, with an assumed coupon rate of 5.00 percent per annum and average yields ranging from 3.875 to 4.375 percent per annum;

- \$171,775,000 of non-rated tax-exempt fixed rate Entrance Fee Principal Redemption Bonds (“EFPRB”) (the “Series 2021B/C/D Bonds”) with assumed coupon rates ranging from 2.50 to 3.25 percent per annum; and,
- \$6,665,000 of non-rated taxable fixed rate EFPRBs (the “Series 2021E Bonds”) with an assumed coupon rate of 2.50 percent per annum.

Principal on the Series 2021B/C/D Bonds and Series 2021E Bonds are anticipated to be repaid from a portion of initial entrances fees assumed to be available from residents moving into the Independent Living Units.

The proceeds from the sale of the Series 2021 Bonds, a contribution from PCAC, initial Independent Living Unit entrance fees, and interest earnings on trustee-held funds are assumed to be used as follows:

- To pay for costs of the Community including development, construction, architectural, and marketing costs;
- To repay principal amounts of \$15,000,000 of Series 2018 bond anticipation notes and associated accrued interest used to pay initial development costs of the Community;
- To fund working capital and liquidity support funds;
- To fund debt service reserve funds for the Series 2021 Bonds;
- To fund approximately 26 months of interest on the Series 2021 Bonds; and
- To pay costs associated with the issuance of the Series 2021 Bonds.

Our procedures included analysis of:

- The Corporation’s history, objectives, timing and financing;
- Future demand for the Corporation’s services, including consideration of:
 - Socioeconomic and demographic characteristics of the defined primary market areas (“PMAs”) for the Community;
 - Locations, capacities and competitive information pertaining to other existing and planned facilities in the PMAs; and
 - Forecasted occupancy and utilization levels.
- Project-related costs, debt service requirements and estimated financing costs;
- Staffing requirements, salaries and wages, related fringe benefits and other operating expenses;
- Anticipated entrance fees and monthly fees for the Community’s residents;
- 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 June 30, 2027, is based on assumptions that were provided by, or evaluated 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 Statements of Financial Position; and
- Forecasted Financial Ratios.

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

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

Legislation and regulations at all levels of government have affected and may continue to affect the operations of 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.

Management’s financial forecast is based on the achievement of occupancy levels as determined by Management. 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, principal payments or funding requirements are different from those assumed in this feasibility study, the amount of the Series 2021 Bonds and associated debt service requirements will need to be adjusted accordingly from those indicated in the forecast. If such interest rates, principal payments, and funding requirements are lower than those assumed, such adjustments will not adversely affect Management’s forecast.

Our conclusions are presented below:

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

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

Dixon Hughes Goodman LLP

Atlanta, Georgia
October 1, 2021

Purchase Senior Learning Community Inc.

Forecasted Statements of Operations and Changes in Net Deficit For the Years Ending June 30, (In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027
Revenues:						
Independent living services	\$ -	\$ -	\$ 7,989	\$ 17,090	\$ 19,990	\$ 20,716
Assisted living services	-	-	422	3,828	5,748	5,915
Memory support services	-	-	434	3,712	5,679	5,826
Other revenue	-	-	28	79	101	104
Entrance fee amortization	-	-	1,001	2,387	2,923	3,180
Investment income	-	-	292	741	490	675
Total revenues	-	-	10,166	27,837	34,931	36,416
Expenses:						
General and administrative	-	1,691	2,245	2,531	2,657	2,914
Resident services	-	123	1,319	1,557	1,640	1,688
Assisted living	-	-	690	1,749	2,063	2,125
Memory care	-	-	434	1,287	1,572	1,620
Plant	-	113	2,566	2,903	3,295	3,394
Food and beverage	-	163	2,497	4,823	5,965	6,158
Environmental services	-	59	961	1,488	1,575	1,621
Marketing services - Project	2,585	1,709	2,679	698	336	-
Marketing services - routine	-	-	373	384	495	510
Management Fee	120	475	891	1,757	2,193	2,334
Interest expense	55	-	14,971	11,849	10,190	9,443
Interest expense - Subordinate Ground Sublease	2,028	2,813	2,922	2,973	3,022	3,072
Depreciation	-	-	8,639	8,699	8,719	8,820
Amortization - Subordinate Ground Sublease	534	712	712	712	712	712
Total expenses	5,322	7,858	41,899	43,410	44,434	44,411
Operating loss	(5,322)	(7,858)	(31,733)	(15,573)	(9,503)	(7,995)
Loss on extinguishment of debt	(528)	-	-	-	-	-
Change in net deficit	(5,850)	(7,858)	(31,733)	(15,573)	(9,503)	(7,995)
Net deficit, beginning	(7,023)	(12,873)	(20,731)	(52,464)	(68,037)	(77,540)
Net deficit, ending	\$ (12,873)	\$ (20,731)	\$ (52,464)	\$ (68,037)	\$ (77,540)	\$ (85,535)

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

Purchase Senior Learning Community Inc.

Forecasted Statements of Cash Flows For the Years Ending June 30, (In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027
Cash flows from operating activities:						
Change in net deficit	\$ (5,850)	\$ (7,858)	\$ (31,733)	\$ (15,573)	\$ (9,503)	\$ (7,995)
Adjustments to reconcile change in net deficit						
to net cash provided by (used in) operating activities:						
Depreciation	-	-	8,639	8,699	8,719	8,820
Amortization - Subordinate Ground Sublease	534	712	712	712	712	712
Amortization of deferred financing costs	55	-	1,632	1,632	986	255
Amortization of original issue premium	-	-	(1,502)	(1,502)	(1,502)	(1,502)
Entrance fee amortization	-	-	(1,001)	(2,387)	(2,923)	(3,180)
Loss on extinguishment of debt	528	-	-	-	-	-
(Decrease) increase in accrued interest - BANS	(4,868)	-	-	-	-	-
(Decrease) increase in accrued interest - Series 2021 Bonds	10,550	(3,954)	(535)	(642)	(74)	-
(Decrease) increase in accrued interest - Subordinate Ground Sublease	1,841	2,563	1,359	973	1,022	922
Decrease (increase) in Prepaid Subordinate Ground Sublease	-	-	1,125	1,500	1,500	1,500
Net change in other current assets and liabilities	(1,699)	-	1,206	(168)	-	19
Entrance fees received - attrition (non-refundable)	-	-	207	710	1,240	1,688
Net cash provided by (used in) operating activities	1,091	(8,537)	(19,891)	(6,046)	177	1,239
Cash flows from investing activities:						
Purchase of property and equipment	(84,516)	(174,448)	(48,977)	(2,385)	(17)	-
Routine capital additions	-	-	-	-	(201)	(805)
Interest cost capitalized during construction period, net	(10,982)	(14,289)	-	-	-	-
(Increase) decrease in assets limited as to use, current	-	-	(3,342)	(2,025)	22	(2,908)
Net cash used in investing activities	(95,498)	(188,737)	(52,319)	(4,410)	(196)	(3,713)
Cash flows from financing activities:						
Initial entrance fees received	-	-	156,172	53,561	11,506	-
Entrance fees received - attrition (refundable)	-	-	1,865	6,390	11,158	15,188
Entrance fees refunded	-	-	(1,357)	(4,338)	(7,088)	(9,108)
Issuance of the Series 2021 Bonds	392,245	-	-	-	-	-
Deferred financing costs	(8,285)	-	-	-	-	-
Original issue premium	11,877	-	-	-	-	-
Principal payments on Series 2021 Bonds	-	-	(85,510)	(83,790)	(9,140)	-
Lease prepayment - Subordinate Ground Sublease	-	-	(10,000)	-	-	-
Increase (decrease) in BANS	(15,000)	-	-	-	-	-
(Decrease) increase in resident deposits	6,687	-	(15,039)	(5,047)	(1,009)	-
Net cash provided by (used in) financing activities	387,524	-	46,131	(33,224)	5,427	6,080
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 293,117	\$ (197,274)	\$ (26,079)	\$ (43,680)	\$ 5,408	\$ 3,606
Cash, cash equivalents, and restricted cash, beginning	15,795	308,912	111,638	85,559	41,879	47,287
Cash, cash equivalents, and restricted cash, ending	\$ 308,912	\$ 111,638	\$ 85,559	\$ 41,879	\$ 47,287	\$ 50,893
Reconciliation of cash, cash equivalents, and restricted cash						
Cash, cash equivalents and investments	\$ 173	\$ 242	\$ 245	\$ 1,516	\$ 33,722	\$ 37,328
Project Fund	237,063	57,963	3,437	353	-	-
Funded Interest Fund	32,013	13,770	-	-	-	-
Debt Service Reserve Funds - Series 2021 Bonds	18,569	18,569	18,402	14,329	13,565	13,565
Entrance Fee Fund	-	-	50,829	24,673	-	-
Working Capital Fund	-	-	6,591	-	-	-
Resident deposits	21,094	21,094	6,055	1,008	-	-
Total cash, cash equivalents, and restricted cash	\$ 308,912	\$ 111,638	\$ 85,559	\$ 41,879	\$ 47,287	\$ 50,893

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

Purchase Senior Learning Community Inc.

Forecasted Statements of Financial Position
For the Years Ending June 30,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027
Assets						
Current assets:						
Cash, cash equivalents and investments	\$ 173	\$ 242	\$ 245	\$ 1,516	\$ 33,722	\$ 37,328
Bond Fund - Series 2021 Bonds	-	-	3,342	5,367	5,345	8,253
Accounts receivable, net	-	-	365	1,015	1,295	1,338
Prepaid expenses and other assets	5	5	201	263	299	306
Inventory	-	-	40	53	60	61
Total current assets	178	247	4,193	8,214	40,721	47,286
Assets limited as to use:						
Project Fund	237,063	57,963	3,437	353	-	-
Funded Interest Fund	32,013	13,770	-	-	-	-
Debt Service Reserve Fund - Series 2021A Bonds	13,565	13,565	13,565	13,565	13,565	13,565
Debt Service Reserve Fund - Series 2021B Bonds	764	764	764	764	-	-
Debt Service Reserve Fund - Series 2021C Bonds	1,835	1,835	1,835	-	-	-
Debt Service Reserve Fund - Series 2021D Bonds	2,238	2,238	2,238	-	-	-
Debt Service Reserve Fund - Series 2021E Bonds	167	167	-	-	-	-
Entrance Fee Fund	-	-	50,829	24,673	-	-
Working Capital Fund	-	-	6,591	-	-	-
Resident deposits	21,094	21,094	6,055	1,008	-	-
Total assets limited as to use	308,739	111,396	85,314	40,363	13,565	13,565
Property and equipment	108,066	296,803	345,780	348,165	348,383	349,188
less accumulated depreciation	-	-	(8,639)	(17,338)	(26,057)	(34,877)
Net property and equipment	108,066	296,803	337,141	330,827	322,326	314,311
Prepaid Subordinate Ground Sublease	-	-	8,875	7,375	5,875	4,375
Right of use asset	52,890	52,178	41,466	40,754	40,042	39,330
Total assets	\$ 469,873	\$ 460,624	\$ 476,989	\$ 427,533	\$ 422,529	\$ 418,867

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

Purchase Senior Learning Community Inc.

Forecasted Statements of Financial Position (continued)
For the Years Ending June 30,
(In Thousands of Dollars)

	2022	2023	2024	2025	2026	2027
Liabilities and Net Deficit						
Current liabilities:						
Accounts payable	\$ -	\$ -	\$ 1,205	\$ 1,576	\$ 1,791	\$ 1,838
Accrued expenses	-	-	602	788	896	919
Accrued interest - Series 2021 Bonds	10,550	6,596	6,061	5,419	5,345	5,345
Current maturities - long-term debt	-	85,510	83,790	9,140	-	2,945
Resident deposits	21,094	21,094	6,055	1,008	-	-
Total current liabilities	31,644	113,200	97,713	17,931	8,032	11,047
Series 2021 Bonds, less current maturities	392,245	306,735	222,945	213,805	213,805	210,860
Original issue premium	11,877	11,877	10,375	8,873	7,371	5,869
Deferred financing costs, net	(8,285)	(8,285)	(6,653)	(5,021)	(4,035)	(3,780)
Long-term debt, net	395,837	310,327	226,667	217,657	217,141	212,949
Subordinate Ground Sublease liability	55,265	57,828	49,187	50,160	51,182	52,104
Refundable entrance fees	-	-	141,063	191,320	205,745	211,826
Deferred revenue from entrance fees, net of amortization	-	-	14,823	18,502	17,969	16,476
Total liabilities	482,746	481,355	529,453	495,570	500,069	504,402
Net deficit:						
Unrestricted net deficit	(12,873)	(20,731)	(52,464)	(68,037)	(77,540)	(85,535)
Net deficit	(12,873)	(20,731)	(52,464)	(68,037)	(77,540)	(85,535)
Total liabilities and net deficit	\$ 469,873	\$ 460,624	\$ 476,989	\$ 427,533	\$ 422,529	\$ 418,867

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

Purchase Senior Learning Community Inc.

Forecasted Financial Ratios
For the Years Ending June 30,
(In Thousands of Dollars, Except for Ratios)

Long-Term Debt Service Coverage Ratio	2027
Change in net deficit	\$ (7,995)
Deduct:	
Entrance fee amortization	(3,180)
Add:	
Depreciation	8,820
Interest expense	9,443
Amortization - Subordinate Ground Sublease	712
Interest expense - Subordinate Ground Sublease	3,072
Entrance fees received - attrition (non-refundable)	1,688
Entrance fees received - attrition (refundable)	15,188
Entrance fees refunded	(9,108)
Income Available for Debt Service	\$ 18,640
Maximum Annual Debt Service ^(a)	\$ 13,565
Maximum Annual Debt Service Coverage Ratio	1.37x

Days Cash on Hand	2027
Cash, cash equivalents and investments	\$ 37,328
Cash on hand	\$ 37,328
Total expenses	\$ 44,411
Less:	
Depreciation	(8,820)
Amortization - Subordinate Ground Sublease	(712)
Interest expense - Subordinate Ground Sublease	(3,072)
Amortization of deferred financing costs	(255)
Amortization of original issue premium	1,502
Total expenses less depreciation and amortization	\$ 33,054
Daily operating expenses ^(b)	91
Days cash on hand	410

(a) Forecasted Maximum Annual Debt Service is equal to the greatest debt service requirement in the then current or any future fiscal year, other than the debt service requirements on the Series 2021B/C/D Bonds and the Series 2021E Bonds and excludes the principal and interest payments on the Series 2021A Bonds due July 1, 2056.

(b) Daily cash expenses are equal to total operating expenses less depreciation, amortization, and Subordinate Ground Sublease interest expense divided by 365 days.

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

Purchase Senior Learning Community Inc.

Summary of Significant Forecast Assumptions and Accounting Rationale

Basis of Presentation

The accompanying financial forecast presents, to the best knowledge and belief of management of Purchase Senior Learning Community Inc. (the “Corporation”), Life Care Services, LLC (the “Manager”), and LCSD/SCD Partners, LLC (the “Development Consultant”), the Corporation’s forecasted results of activities, cash flows and financial position as of and for each of the six years ending June 30, 2027. Accordingly, the accompanying financial forecast reflects the judgment of management of the Corporation and the Manager (collectively defined as “Management”) as of October 1, 2021, the date of this forecast, based on present circumstances and the expected course of action during the forecast period. The assumptions disclosed herein are those that Management believes are significant to the forecast. Management recognizes that there will usually be differences between the prospective and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Background

Purchase Senior Learning Community Inc.

The Corporation was formed in 2016 to develop and operate a senior living community to be known as “Broadview Senior Living at Purchase College” (the “Community”) on behalf of PCAC (defined hereinafter). The Corporation is a not-for-profit corporation organized under the laws of New York and a tax-exempt organization under section 501(c)(3) of Title 26 of the United States Code. The sole member of the Corporation is PCAC.

The affairs of the Corporation are managed by a Board of Directors (the “Board”). The bylaws of the Corporation provide that the Board shall consist of at least three and no more than 15 directors (the “Directors”), who shall serve staggered three-year terms, subject to re-election. The Board currently consists of 11 Directors.

The Corporation has retained the Manager to manage and operate the Community and the Development Consultant and to provide development consulting services for the Community and to market the Independent Living Units until 90 percent occupancy. The members of the Developer are LCS Development LLC (“LCSD”), an Iowa limited liability company, and Senior Care Development, LLC, a Connecticut limited liability company (“SCD”).

Purchase College

Purchase College (the “College”), a public four-year college of arts, liberal arts and sciences, was founded in 1967 and is one of the 13 comprehensive colleges of the State University of New York (“SUNY”) system. To support the College’s educational mission and commitment to lifelong learning, Purchase College Advancement Corporation (“PCAC”), a not-for-profit corporation, was organized in 2004 under the laws of New York to plan and pursue the development of the Community.

In 2011, the New York State legislature enacted Chapter 405 of Laws of New York of 2011 (as amended by Chapter 257 of the Laws of New York of 2016 (the “Enabling Act”), authorizing a 75-year ground lease of approximately 40 acres of land on the campus of the College (the “Project Site”). As a provision of the Enabling Act, twenty percent of the Community’s planned independent living units are to be designated as affordable units.

Description of the Community

The Community is to be located on the approximately 40-acre Project Site in the southwestern portion of the approximately 500-acre College campus in Purchase, New York. The Community is proposed to consist of the following:

- 220 independent living units (the “Independent Living Units”) including:
 - 44 affordable apartments (the “Affordable IL Units”); and
 - 130 market rate apartments and 46 market rate independent living villas (the “Market Rate IL Units”)
- 36 assisted living units (the “Assisted Living Units”) and 32 memory care assisted living units (the “Memory Care Units”); and,
- Associated common and administrative areas.

Planned common areas of the Community include a clubhouse containing dining venues, convenience store, library, game rooms, media room, public lounges, health and wellness facility, spa, indoor pool, and a multipurpose gathering area for College students and Community residents known as the “Learning Commons”. The gross square footage of the Community upon completion is anticipated to be approximately 551,000 square feet, including the planned common areas.

Prospective residents of the Affordable IL Units must have no more than 80 percent of the Westchester County Area Median Income (the “Westchester County AMI”) for a one-person household (single occupant) or a two-person household (double occupants). According to the U.S. Department of Housing and Urban Development, the Westchester County AMI is \$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.

The Assisted Living Units and the Memory Care Units are to be collectively referred to as the “Assisted Living Units.”

The following table summarizes the type, approximate square footages, monthly fees (“Monthly Fee”) and entrance fees (“Entrance Fee”) for the Community:

Table 1 Community Configuration				
Unit Type	Number of Units	Square Footage	Monthly Fee⁽¹⁾⁽²⁾⁽³⁾	90% Refundable Entrance Fee ⁽¹⁾⁽⁴⁾
<u>Apartments</u>				
<u>Affordable Apartments</u> ⁽⁵⁾				
<i>One-Bedroom/One Bathroom</i>				
Apawamis	44	675	\$3,457 – 3,972	\$250,000 ⁽⁶⁾
Totals/Averages – Affordable	44	675	\$3,515	\$250,000
<u>Market Rate Apartments</u>				
<i>One Bedroom/1.5 Bathrooms</i>				
Biltmore	12	882	\$4,429	\$631,000 – 652,000
Gedney	16	1,008	\$4,841	\$737,000 – 758,000
<i>Two Bedroom/Two Bathrooms</i>				
Greenacres	16	1,101	\$5,356	\$844,000 – 870,000
Harrison	24	1,167	\$5,665	\$876,000 – 933,000
Heathcote	6	1,297	\$6,077	\$982,000 – 1,008,000
<i>Two Bedroom/2.5 Bathrooms</i>				
Hudson	20	1,349	\$6,489	\$1,056,000 - 1,093,000
Hutchinson	24	1,385	\$6,592	\$1,194,000 – 1,214,000
Katonah	8	1,628	\$7,828	\$1,433,000 – 1,485,000
Lafayette	4	1,907	\$8,961	\$1,841,000
Totals/Averages – Market Rate	130	1,238	\$5,789	\$1,001,983
<u>Villas</u>				
Mamaroneck	12	1,874 – 1,920	\$9,064 – 9,270	\$1,722,477 – 1,792,921
Shenorock	9	1,951 – 1,999	\$9,579 – 9,785	\$1,851,271 – 1,856,575
Siwanoy	11	2,001 – 2,086	\$9,888 – 10,094	\$1,866,547 – 1,949,404
Strathglass	14	2,097 – 2,161	\$10,197 – 10,403	\$1,989,188 – 2,016,930
Totals/Averages – Villas	46	1,993	\$9,725	\$1,766,979
Total/Weighted Averages – Independent Living Units	220	1,283	\$6,281	\$1,042,688
<i>Assisted Living:</i>				
Private	36	492	\$12,908	N/A
<i>Memory Care:</i>				
Private	32	308	\$14,521	N/A
Total/Weighted Average – Assisted Living Units	68	405	\$13,667	N/A

Source: Management

Notes to the Table:

- (1) Entrance Fees shown represent those currently being marketed to potential residents and are 90 percent refundable. The Monthly Fees shown are in 2021 dollars.
- (2) The second person Monthly Fee for an Independent Living Unit is \$1,550 (in 2021 dollars).
- (3) Monthly Fees for the Assisted Living Unit shown reflect anticipated rates effective for the fiscal year ending June 30, 2022.
- (4) Upon closing of the Series 2021 Bonds (hereinafter defined), Entrance Fees for unsold/attrition Independent Living Units are anticipated to increase approximately 5.0 percent on January 1, 2022 and 3.0 percent annually thereafter.
- (5) A prospective resident must have no more than 80 percent of the Westchester County AMI for a one-person household if a single resident or a two-person household if there are two residents. According to the U.S. Department of Housing and Urban Development, the Westchester County AMI is \$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.
- (6) The Entrance Fee for two Residents in the Apawamis unit is \$333,000 (in 2021 dollars). The second person Monthly Fee in the Apawamis unit is \$520.

Timeline

The following table illustrates the anticipated timeline for construction completion and fill-up of the Community.

Table 2
Development Timeline

Close on permanent financing	November 2021
Construction commences on the Community	November 2021
Independent Living Units available for occupancy	July 2023
Assisted Living Units available for occupancy	December 2023
Assisted Living Units achieve stabilized occupancy of 94%	June 2025
Independent Living Units achieve stabilized occupancy of 95%	February 2026

Source: Management

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 prevention of the 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 future 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, or construction progress at the Community.

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. Management has estimated no financial impact of COVID-19 during the forecast period.

Significant Agreements and Memorandum

Development Consulting Agreement

The Development Consultant and PCAC entered into a development consulting agreement (the "Development Consulting Agreement") on August 12, 2014, assigned to the Corporation by an Assignment and Assumption Agreement dated April 1, 2018 (the "Assignment Agreement"), and amended on December 21, 2018 and September 30, 2021. Pursuant to the Development Consulting Agreement, the Development Consultant is expected to provide development consulting services for the Community and to market the Independent Living Units until initial occupancy of 90 percent of the Independent Living Units is achieved.

As compensation for services rendered, the Corporation is to pay the Development Consultant a "Base Development Fee", a "Marketing and Sales Fee," and an "Attrition Fee" (collectively, the "Development and Marketing Fees").

The Base Development Fee is equal to 4.25 percent of the capital costs associated with the Community and capped at \$10,753,000. The Base Development Fee of \$10,753,000 has been and is to be earned and paid as follows: five percent (5.00%) at the completion of the development plan due and payable in monthly installments of \$25,000 per month, commencing on the first day of the first month after the Development Consulting Agreement is executed; three percent (3.00%) upon the completion of the initial schematic design plans; five percent (5.00%) upon acceptance of the draft environmental impact statement; three percent (3.00%) upon obtaining the Series 2018 BANs (hereinafter defined) financing; five percent (5.00%) upon commencement of sales; six percent (6.00%) upon obtaining Entrance Fee Deposits (hereinafter defined) for 25 percent of the Independent Living Units; six percent (6.00%) upon obtaining Entrance Fee Deposits (hereinafter defined) for 40 percent of the Independent Living Units; five percent (5.00%) upon obtaining Entrance Fee Deposits (hereinafter defined) for 55 percent of the Independent Living Units; 10 percent (10.00%) upon the closing of the Series 2021 Bonds (hereinafter defined) and commencement of construction; 14 percent (14.00%) upon construction administration on pro-rata basis monthly with construction progress; eight percent (8.00%) upon occupancy of the Independent Living Units on pro-rata basis monthly with move-ins to 90 percent occupancy; 10 percent (10.00%) upon achievement of 70 percent occupancy of the Independent Living Units; and, 20 percent (20.00%) upon achievement of 90 percent occupancy of the Independent Living Units.

The Marketing and Sales Fee is equal to 2.5 percent (2.50%) of the total amount of Entrance Fees collected for initial occupancy of each of the Independent Living Units during the term of the Development Agreement. Fifty percent (50%) of the Marketing and Sales Fee is due and payable upon receipt of an Entrance Fee Deposit for an Independent Living Unit and the remaining 50 percent (50%) is due and payable upon the payment of the remainder of the Entrance Fee for the Independent Living Unit selected.

The Attrition Fee is equal to five percent (5.00%) of the total amount of Entrance Fees paid for any Independent Living Unit upon occupancy subsequent to the initial occupancy of the unit during the period of ten (10) years following opening of the Community, less the amount of the Entrance Fee refunded to the prior resident of the unit.

Pursuant to the Development Consulting Agreement, the Development Consultant agrees to contribute \$1,000,000 to fund any hard construction cost overruns that are not the result of the Corporation's negligence or of an optional construction change order authorized by the Corporation. Management has assumed no hard construction cost overruns during the forecast period.

An overview of the Development and Marketing Fees assumed to be paid to the Development Consultant in association with the development of the Community are presented in the following table.

Table 3
Anticipated Development and Marketing Fees
(In Thousands)

Base Development Fee	
Prior to closing of the Series 2021 Bonds (38% of Base Development Fee)	\$ 4,086
Upon closing of Series 2021 Bonds (10% of Base Development Fee)	1,075
Monthly commensurate with construction of the Project (14% of Base Development Fee)	1,506
Monthly commensurate with occupancy to 90 percent (8% of Base Development Fee)	860
Deferred Development Fees (30% of Base Development Fee) ⁽¹⁾	3,226
Subtotal Base Development Fees	10,753
Marketing and Sales Fee	5,690
Total Anticipated Development and Marketing Fees	\$ 16,443

Source: The Development Consulting Agreement

(1) Includes Base Development Fees for achieving 70 percent occupancy and 90 percent occupancy of the Independent Living Units during the forecast period.

Management Agreement

The Manager and PCAC entered into a management services agreement (the "Management Agreement") on June 15, 2017, assigned to the Corporation by the Assignment Agreement, and amended on August 13, 2018, whereby the Manager is to manage and operate the Community.

Under the Management Agreement, the Manager is responsible for (i) recruiting, hiring, and training an executive director; (ii) beginning upon 90 percent initial occupancy of the Community, developing a marketing program, assisting with hiring and training of marketing personnel, monitoring occupancy levels, working with outside communication firm, and recommending specific procedures and promotions; (iii) establishing and maintaining a system of financial controls; (iv) recommending personnel policies, procedures, compensation and benefit plans, appraisal and goal setting programs, training programs, as well as other personnel related

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functions; (v) designing and monitoring of performance criteria related to the operation of the Community, the satisfaction and welfare of residents, and the effectiveness in integrating with the College, and (vi) providing additional services including, but not limited, to pre-financing consulting services related to financial projections and design of the facility, and pre-opening services including developing and implementing an operational plan.

The Management Agreement expires 120 months (10 years) after the commencement of the Management Agreement as amended on August 13, 2018 (the “Commencement Date”).

As compensation for services rendered, the Corporation is to pay the Manager a “Monthly Management Fee”, a “Pre-financing Stage Consulting Fee”, a “Pre-opening Management Services Fee”, an “Application Service Provider Fee,” and an “Executive Director Fee” (collectively, the “Management Fee”), as follows:

- (1) The Monthly Management Fee is a monthly fee equal to the greater of \$30,000 per month (the “Initial Base Fee”), or 5.50 percent of the total gross operating revenue of the Community, commencing the first month after the first resident takes occupancy. The Initial Base Fee shall be increased each January 1 based on the increase in the consumer price index.
- (2) The Pre-financing Stage Consulting Fee is equal to \$75,000 for review of operating projections and the Community’s design and for participation in the preparation of documents related to the Community. The Pre-financing Stage Consulting Fee shall be paid upon issuance of the Series 2021 Bonds.
- (3) The Pre-opening Management Services Fee is equal to, beginning upon the start of construction of the Community, \$5,000 per month through the ninth month prior to opening the Community, \$15,000 per month for the eighth through sixth month prior to opening, \$20,000 per month for the fifth through third month prior to opening, and \$25,000 per month for the second and first month prior to opening.
- (4) The Application Service Provider Fee is equal to a one-time activation fee of \$35,000 and an annual fee of \$15,500 for the use of the Manager’s proprietary marketing, sales, accounting, billing, and dashboard technologies. In addition, the Corporation is to pay a one-time installation fee equal to \$175 per paid employee and an annual fee in the amount of \$50 per paid employee for the use of the Manager’s payroll processing system. The Application Service Provider Fee is to be adjusted annually in the same manner as the Monthly Management Fee.
- (5) The Executive Director Fee is a monthly fee equal to \$25,000 starting on the date the Executive Director is hired (the “Hire Date”). After the Hire Date, the Executive Director Fee is to be adjusted annually in the same manner as the Monthly Management Fee.

All staff at the Community are to be direct employees of the Corporation, with the exception of the executive director, who is to be an employee of the Manager. The Manager is reimbursed for all reasonable travel and out-of-pocket expenses in connection with performance of duties under the Management Agreement.

Ground Lease

PCAC and the State University of New York (“SUNY”), on behalf of the College, have entered into a 75-year (the “Term”) ground lease agreement (the “Ground Lease”), dated March 23, 2017, for the Site. The Term of the Ground Lease shall commence upon the College issuing a permit for construction. Under the terms of the Ground Lease, PCAC shall pay the College annual base rent of one dollar and agrees to pay the base rent for the Term (\$75 total) upon commencement of the lease (the “Base Rent”). In addition, PCAC shall pay to the College any and all proceeds relating to the Community including rent received from any subtenant and any other revenues derived from operation of the Community, in all cases net of expenses (the “Proceeds”), which shall be allocated by the board of trustees for the College in the following manner: seventy-five percent (75%) for student financial aid and twenty-five percent (25%) to support additional full-time faculty positions.

Subordinate Ground Sublease

The Corporation and PCAC entered into a sublease agreement (the “Subordinate Ground Lease”) dated June 28, 2018, and amended on August 20, 2021, whereby PCAC agrees to sublease the Project Site to the Corporation. The Subordinate Ground Sublease commences on the commencement date of the Ground Lease and terminates on the day immediately prior to the end of the Ground Lease Term. Under the terms of the Subordinate Ground Sublease, the Corporation is to pay PCAC annual rent (the “Base Rent”) and additional rent (“Additional Rent” and collectively with Base Rent, the “Subordinate Ground Sublease Payments”).

Pursuant to the Subordinate Ground Sublease, payment of Subordinate Ground Sublease Payments is subordinated to Series 2021 Bond payments and the Corporation is obligated to payment only to the extent that after any such payment, the Corporation is in compliance with all financial covenants of the Series 2021 Bonds.

The Base Rent is to be paid during the Term as follows:

- \$250,000 annually for year one and year two;
- \$2,000,000 annually for year three to year five;
- \$2,200,000 annually for year six to 10; and
- Thereafter, the Base Rent increases every five years, in increments ranging from \$200,000 (years 11-15) to \$700,000 (years 71-75), in order to approximate annual Consumer Price Index inflation.

Base Rent in the amount of \$10,000,000 for Sublease year three to Sublease year nine (“Prepaid Base Rent”) is to be prepaid from available Entrance Fee proceeds and held and applied by PCAC pursuant to the Liquidity Support Agreement. Prepaid Base Rent is to be allocated in the amounts of \$1,500,000 annually for Sublease years three through eight and \$1,000,000 for Sublease year nine.

The following table provides the assumed Subordinate Ground Sublease Payments to be due by the Corporation to PCAC through the Subordinate Ground Sublease.

Table 6
Forecasted Subordinate Ground Sublease Payments

Fiscal Year Ending June 30,	Base Rent ⁽¹⁾	<u>Funded By</u>	
		Initial Entrance Fees ⁽²⁾	Operations
2022	\$ 187,000	\$ —	\$ 187,000
2023	250,000	—	250,000
2024	1,563,000	1,125,000	438,000
2025	2,000,000	1,500,000	500,000
2026	2,000,000	1,500,000	500,000
2027	2,150,000	1,500,000	650,000
Totals	\$8,150,000	\$5,625,000	\$2,525,000

Source: The Subordinate Ground Sublease

(1) Assumes Subordinate Ground Sublease commences on October 1, 2021.

(2) Assumes Base Rent payments totaling \$10,000,000 will be funded with initial Entrance Fees of the Independent Living Units, held in a liquidity support account by PCAC.

For purposes of the forecast, all Base Rent payments are paid in the year incurred.

In addition to Base Rent, the Corporation shall pay “Additional Rent” which includes (i) “Net Proceeds of Operations” due annually, and (ii) any and all other amounts required to be paid pursuant to the Subordinate Ground Sublease other than Base Rent. Net Proceeds of Operations is equivalent to an amount equal to seventy-five percent (75%) of “Net Income” during the preceding year. Net Income shall mean all revenues from operation of the Community including Monthly Fees, attrition Entrance Fees, deposits and other fees paid by residents of the Community for occupancy of the Independent Living Units and the Assisted Living Units less Base Rent, Management Fees, operating expenses, debt service costs, reserves for operating expenses, and expected net costs of Entrance Fee refund obligations. Additional Rent is to be earned and paid after (a) redemption of the Series 2021 B/C/D Bonds and the Series 2021 E Bonds (each defined hereinafter), (b) four fiscal quarters following the Series 2021B Bond redemption and covenant compliance and (c) if after payment of Additional Rent payment, Days Cash on Hand is at least 425.

No Additional Rent is assumed to be earned or paid during the forecast period.

Liquidity Support Agreement

PCAC, the Corporation, and The Bank of New York Mellon (the “Master Trustee”) are to enter into a liquidity support agreement (the “Liquidity Support Agreement”), expected to be executed upon closing of the Series 2021 Bonds, to provide liquidity support to the Corporation. Under the Subordinate Ground Sublease and the Liquidity Support Agreement, the Corporation shall prepay to PCAC Prepaid Base Rent (defined hereinafter) in the amount of \$10,000,000. The Prepaid Base Rent shall be held and applied by PCAC pursuant to the Liquidity Support Agreement.

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The Liquidity Support Agreement will also contain provisions which reduce the obligation once certain conditions and covenants have been met by the Corporation for a specified time period, estimated to be as follows:

Table 4
Liquidity Support Agreement Release Provisions

Event:	
Redemption of the Series 2021D and Series 2021E Bonds and 50% Independent Living Unit occupancy	\$ 1,250
Redemption of the Series 2021C Bonds and 75% Independent Living Unit occupancy	1,250
Redemption of the Series 2021B Bonds and 85% Independent Living Unit occupancy	2,500
Four fiscal quarters following Series 2021B Bond redemption and covenant compliance	5,000
Total Liquidity Support Agreement	\$ 10,000

Source: Liquidity Support Agreement

For purposes of the forecast, Management has not forecasted draws on the Liquidity Support Agreement.

Memorandum of Understanding

The Corporation and the College entered into a memorandum of understanding (the “MOU”) on August 1, 2019, regarding their shared commitment to intergenerational learning. Pursuant to the MOU, it is anticipated that there will be three types of educational opportunities offered to Residents (hereinafter defined): college credit courses, for which Residents are to pay standard College tuition rates; non-credit courses offered as part of the College’s continuing education programming, for which Residents are to pay standard College fees; and an open campus program comprised of free exhibits, lectures, seminars and other events in the Community’s Learning Commons and at College venues, including the Neuberger Museum and the Performing Arts Center. Residents would also be eligible to attend student performances, student art exhibits and College athletic events. The College also expects to provide to Residents additional, and in some cases exclusive, access to master classes, dress rehearsals, docent tours, opening receptions and similar events at the Neuberger Museum and the Performing Arts Center. For purposes of the forecast, no fees are attributable to the MOU between the College and the Corporation.

Summary of Financing

Prefinance Capital

Prior to the issuance of the Series 2021 Bonds (hereinafter defined), approximately \$15,000,000 of preliminary costs associated with the development of the Community were funded through the issuance of \$15,000,000 Westchester County Local Development Corporation Tax-Exempt Revenue Bond Anticipation Notes (Purchase Senior Learning Community Inc. Project), Series 2018 (the “Series 2018 BANS”). In addition, an equity contribution of approximately \$5,087,000 was made to fund initial development costs.

Series 2018 BANS

In October 2018, the Westchester County Local Development Corporation issued the Series 2018 BANS to fund pre-construction and marketing costs and expenses related to the Community. Interest payments on the Series 2018 BANS accrue and compound semi-annually and are payable upon maturity or earlier redemption. Principal and accrued interest on the Series 2018 BANS will be repaid from proceeds from the issuance of the Series 2021 Bonds.

Permanent Financing

Management intends to fund Community construction and related project costs, repay the Series 2018 BANS plus accrued interest, and fund associated reserve funds primarily through the issuance of \$392,245,000 Westchester County Local Development Corporation Revenue Bonds (Purchase Senior Learning Community, Inc. Project), Series 2021 (the “Series 2021 Bonds”), initial Independent Living Unit Entrance Fees and a previous PCAC equity contribution of approximately \$5,087,000.

The Corporation is to be solely responsible for the payment of debt service on the Series 2021 Bonds.

Management has assumed the following sources and uses of funds in preparing its financial forecast based on information provided by the Corporation's underwriter, Herbert J. Sims & Co. Inc. (the "Underwriter"):

Table 7
Sources and Uses of Funds
(In Thousands)

Sources of Funds:	Total
Series 2021 Bonds ⁽¹⁾	\$ 392,245
Original Issue Premium ⁽¹⁾	11,877
Series 2021 Bonds, net	\$404,122
Contribution ⁽²⁾	5,087
Initial Entrance Fees ⁽³⁾	20,000
Interest earnings on trustee held funds (Series 2021 Bonds) ⁽⁴⁾	2,320
Interest earnings on trustee held funds (Series 2018 BANS) ⁽⁵⁾	300
Total Sources of Funds	\$431,829
Uses of Funds:	
Project Costs:	
Total direct construction costs ⁽⁶⁾	\$ 291,171
Owner contingency ⁽⁷⁾	10,000
Design and engineering costs ⁽⁸⁾	9,066
LCS Development and Marketing Fee ⁽⁹⁾	16,443
Indirect construction costs ⁽¹⁰⁾	3,017
Marketing costs ⁽¹¹⁾	9,837
Start-up loss ⁽¹²⁾	5,810
Total Project Related Costs	\$ 345,344
Less: Costs funded by Series 2018 BANS	(15,000)
Total Project Related Costs	\$ 330,344
Liquidity Support Fund ⁽³⁾	10,000
Working Capital Fund ⁽³⁾	10,000
Funded Interest – Series 2021 Bonds ⁽¹³⁾	34,005
Redemption on the Series 2018 BANS and associated interest payable ⁽¹⁴⁾	20,627
Debt Service Reserve Funds ⁽¹⁵⁾	18,569
Cost of issuance and other costs ⁽¹⁶⁾	8,284
Total Estimated Financing and Other Costs	\$ 101,485
Total Uses of Funds	\$431,829

Sources: Management the Development Consultant and the Underwriter

Notes to Table

- (1) According to the Underwriter, the following series of bonds are assumed to be issued:
 - \$213,805,000 of non-rated tax-exempt fixed rate term bonds (“Series 2021A Bonds”),
 - \$171,775,000 of non-rated tax-exempt fixed rate Entrance Fee Principal Redemption Bonds (“EFPRB”) (the “Series 2021 B/C/D Bonds”), and,
 - \$6,665,000 of non-rated taxable fixed rate EFPRBs (the “Series 2021E Bonds”).
 - The Series 2021A Bonds are assumed to be issued at an original issue premium from par value.
- (2) A previous contribution of \$5,087,000 from the Purchase College Foundation Housing Corporation (“PCFHC”) funded a portion of the initial development costs.
- (3) Subsequent to the issuance of the Series 2021 Bonds and after construction completion of the Community, initial Entrance Fees of \$20,000,000 are assumed to be deposited into the Working Capital Fund (\$10,000,000) and the Liquidity Support Fund (\$10,000,000).
- (4) Interest in the amount of \$2,320,000 is estimated to be earned on the Project Fund, Funded Interest Funds and the Series 2021 Bond Debt Service Reserve Funds at a range of 0.45 percent to 1.99 percent annually, based upon information provided by the Underwriter.
- (5) Interest in the amount of approximately \$300,000 is estimated to be earned on the Series 2018 BANS related funds.
- (6) Direct construction costs related to the construction of the Project are assumed to approximate \$291,171,000, based on a guaranteed maximum price contract (the “GMP Contract”) totaling \$280,000,000 (which includes a contractor’s contingency of approximately \$7,887,000) provided by the Corporation’s construction manager, Whiting-Turner and owner-controlled construction budgets and contingencies of approximately \$11,171,000.
- (7) Management has included a project contingency of \$10,000,000 as part of the overall Community related costs.
- (8) Design and engineering costs are assumed to approximate \$9,066,000 and include costs associated with the design & engineering consultants as well as interior designers.
- (9) Development and Marketing Fees payable to the Development Consultant are assumed to approximate \$16,443,000.
- (10) Estimated indirect construction related costs for the Community are assumed to approximate \$3,017,000 and include costs of administrative, legal, travel, consulting, filing and impact fees and other expenses.
- (11) Marketing costs related to the Community are estimated to approximate \$9,837,000 and include direct marketing and advertising costs, marketing staff salaries and benefits and other promotion materials.
- (12) Start-up loss approximate \$5,810,000 and includes expenses related to management fees including salary expenses for the executive director, employee hiring expenses, relocation expenses, technology set up fees, \$500,000 of Base Rent payments and various inventory items.
- (13) The Underwriter has estimated \$34,005,000 of the Series 2021 Bonds, including investment earnings, to be used to fund capitalized interest on the Series 2021 Bonds for approximately 26 months from the date of the issuance of the Series 2021 Bonds.
- (14) The outstanding principal on the Series 2018 BANs of \$15,000,000 is assumed to be retired with proceeds of the Series 2021 Bonds. Accrued interest on the Series 2018 BANS of approximately \$5,627,000 is assumed to be repaid from proceeds of the Series 2021 Bonds.
- (15) Deposits to the Debt Service Reserve Funds for the Series 2021 Bonds are assumed to approximate \$18,569,000.
- (16) Costs of issuance related to the Series 2021 Bonds are assumed to approximate \$8,284,000 and include the Underwriter’s discount, title insurance, accounting fees, legal fees, feasibility consulting fees, bond issuance fees, the cost for the printing of the preliminary official statement and official statement, and other related financing costs.

Residency Agreement

To be accepted for admission to the Independent Living Units, a prospective resident must be at least 62 years of age (or if a couple, one spouse is at least 62 years of age and the other spouse at least 55 years of age) at the time residency is established and exhibit an ability to live independently and meet their financial obligations as residents of the selected Independent Living Unit. Residents in the Affordable IL Units must meet the maximum allowable household income requirement of the Westchester County AMI of 80 percent of the median household income. According to the U.S. Department of Housing and Urban Development (“HUD”), the Westchester County AMI is \$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.

To reserve an Independent Living Unit, a prospective resident is required to execute a residency agreement (the “Residency Agreement”), provide a self-disclosure of his or her health and finances and place a deposit equal to five percent of the Entrance Fee for an Affordable IL Unit or 10 percent of the Entrance Fee for a Market Rate IL Unit (collectively, the “Entrance Fee Deposit”) on the selected Independent Living Unit (the “Depositor”). The remaining balance of the Entrance Fee is due on or before the occupancy date (the “Occupancy Date”) of the Independent Living Unit. The Entrance Fee Deposit is to earn interest at the rate of two percent per annum.

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 (the “Resident”). Under the Residency Agreement, payment of the Entrance Fee and Monthly Fee entitles all Residents to receive the following services and amenities:

- Declining meal balance program equivalent to one meal per day;
- Weekly housekeeping, including changing the bed linens;
- Weekly bed and bath linen laundry service;
- Utilities including water, sewer, air conditioning, heating and trash removal;
- Basic cable television service and Wi-Fi;
- Security and 24-hour emergency call systems;
- Maintenance of both the Independent Living Unit and the grounds and equipment;
- Scheduled local transportation;
- Fitness, nutrition, active life, intellectual and well-being activities as part of the Community’s *HealthyLife™ Services* program;
- Access to the *HealthyLife™ Services* Center, which includes an indoor pool, exercise rooms, strength training room; and locker rooms;
- *Health Care Navigator*, who coordinates medical appointments, hospital stays and home health services;
- One assigned underground parking space for the Market Rate IL Units, one assigned surface parking space for the Affordable IL Units and an attached two-car garage for each IL Villa;
- Room service for up to 15 consecutive days per occurrence for medical reasons;
- Storage area for each Independent Living Unit;
- Multipurpose gathering area for College students and Community residents; and
- Use of the community areas.

Additional services are available to Residents for an extra charge including, but are not limited to: additional housekeeping; laundry service for personal clothing; certain special events and activities; personal transportation; additional meals; extended dietician services to assist in meeting special diet needs; extended room services; guest rooms and guest meals; and care or treatment in the outpatient clinic at the Community.

Health Care Benefit

Residents of the Market Rate IL Units receive 10 days of care in the Assisted Living Units per year and thereafter, receive a 10 percent discount on the Monthly Fee of an Assisted Living Unit (the “Health Care Benefit”). Upon permanent transfer to the Assisted Living Units, the Resident would be required to enter into a separate admissions agreement and would receive a 10 percent discount on the Monthly Fee in the Assisted Living Unit.

Residents of Affordable IL Units are not guaranteed admission to the Assisted Living Units. Residents of the Affordable IL Units who can demonstrate adequate financial ability (including the refundable portion of the Entrance Fee owed to the Resident) to pay the Monthly Fee for the Assisted Living Units at the time of admission are eligible to live in the Assisted Living Units, subject to availability.

Entrance Fee Refundability

The Corporation offers a 90 percent refundable Entrance Fee Plan (the “90% Refund Plan”). The Residency Agreement may be terminated within seven days after it is executed for any reason prior to the Occupancy Date without penalty or forfeiture. If the Residency Agreement is cancelled within the first four months of the Occupancy Date, the Resident would be refunded 100 percent of the Entrance Fee, without interest.

If the Residency Agreement is terminated after four months of the Occupancy Date, the Resident would be refunded 90 percent of the Entrance Fee paid, without interest, upon the earlier of (1) 30 days following re-occupancy of the Independent Living Unit by a new resident and the Corporation’s receipt of the total Entrance Fee for the Independent Living Unit from the new resident or (2) twenty-four months from the termination of the Residency Agreement.

Characteristics of the Market Area

Assumptions for the future utilization of the Community were developed by Management 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 areas for the Community;
- Demographic and socioeconomic characteristics of the defined primary market areas;
- Estimated age- and income-qualified households within the defined primary market areas;
- Description and utilization of existing and proposed comparable retirement communities, personal care, memory care and nursing care facilities within the defined primary market areas;
- Management's ability to market the Independent Living Units and Assisted Living Units; and
- Penetration rates for independent living and assisted living (including memory care) services.

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

Site Description

The Community is to be located at 735 Anderson Hill Road on the approximately 40-acre Project Site in the southwestern portion of the 500-acre College campus in Purchase (a hamlet of the Town of Harrison), Westchester County, New York.

The Project Site is generally bordered by West Loop Road to the south and west and Lincoln Avenue to the east and bisected by East-West Road, which connects Brigid Flanigan Drive and Lincoln Avenue. The Community is approximately four miles east of White Plains, approximately seven miles west of Greenwich, Connecticut and approximately 30 miles northeast of New York City.

General Area Analysis

The College

The College is a public, four-year college of arts, liberal arts and sciences and is one of the 13 comprehensive colleges within the State University of New York system. The College has typical enrollment of approximately 3,800 to 4,200 students within its School of Liberal Arts and Sciences, School of the Arts and School of Liberal Studies. Approximately 80 percent of students are New York residents. In addition, the College offers a continuing education program through the School of Liberal Studies and Continuing Education which serves over 225 non-matriculated students each semester and administers the College's summer sessions.

Highways

The entrance to the College is located on Anderson Hill Road which runs perpendicular to Lincoln Avenue. Lincoln Avenue provides access to Hutchinson River Parkway to the south. Hutchinson River Parkway provides access to Interstate-684 (“I-684”) and Interstate-287 (“I-287”) to the southwest and to the southwestern portions of Connecticut to the east. I-684 terminates at Hutchinson River Parkway to the south and provides access to the Westchester County Airport and northeastern portions of Westchester County to the north. I-287 provides access to White Plains and areas west of the Hudson River to the northeast and U.S. Highway 1 and Interstate-95 to the southeast.

Public Transportation

The Westchester County Bee Line Bus System (the “Bee-Line”) and Metro-North Commuter Railroad (“Metro-North”), part of the Metropolitan Transit Authority, serve areas surrounding the Community. The Bee-Line provides bus service within Westchester County and to the Bronx, Manhattan and Putnam County through 60 bus routes from major transit hubs in White Plains, New Rochelle, Yonkers and Mount Vernon. The Community would be served by Route 12 which travels through the College. Metro-North provides rail service between New York City, nine suburban counties in New York including Westchester County and areas in western Connecticut. The New Haven Line of Metro North offers stops in Rye and in Port Chester, approximately five miles south and east of the Community, respectively. The Harlem Line of Metro North offers a stop in White Plains, approximately six miles west of the Community.

Airports

Westchester County Airport (“HPN”) is located approximately two miles north of the Community. HPN provides non-stop flights to 16 domestic locations through six airlines including American Airlines, Cape Air, Delta, JetBlue and United served approximately 1.7 million passengers in 2019. LaGuardia International Airport (“LGA”), located approximately 25 miles southwest of the Community, is currently serviced by approximately 10 airlines, which provide domestic and international service. John F. Kennedy International Airport (“JFK”), located approximately 30 miles south of the Community, is currently serviced by over 70 airlines, which provide domestic and international service.

Healthcare*Hospitals*

The following table shows the short-term acute care hospitals near the Community.

Table 5				
Hospitals near the Community				
Hospital Name	Miles from Community	Location	Type of Hospital	Number of Beds
White Plains Hospital	4.3	White Plains – 10601	Short Term Acute Care	292
Greenwich Hospital	4.7	Greenwich – 06830	Short Term Acute Care	184
Westchester Medical Center	9.5	Valhalla – 10595	Short Term Acute Care	652

Source: New York State Department of Health (“NYDH”) and American Hospital Directory, August 2021.

Nursing Homes

The Corporation anticipates offering a referral program to transfer residents to a skilled nursing program in the area in the event the resident needs care beyond the care offered in the Assisted Living Units.

The following table shows the five closest nursing homes to the Community for informational purposes only.

Table 6				
Nursing Homes near the Community				
Hospital Name	Miles from Community	Location	Total Beds	Medicare Star Rating⁽¹⁾
Greenwich Woods Rehabilitation & Health Care Center ⁽²⁾	2.5	Greenwich, CT 06831	217	4 Stars
RegalCare at Greenwich	2.7	Greenwich, CT 06831	75	2 Stars
King Street Home, Inc.	3.0	Port Chester, NY 10573	120	4 Stars
The Enclave at Rye Rehabilitation & Nursing Center	4.2	Port Chester, NY 10573	160	5 Stars
EPIC Rehabilitation and Nursing at White Plains ⁽³⁾	4.4	White Plains, NY 10601	160	See note

Source: NYDH and Centers for Medicare and Medicaid Services, August 2021

- (1) The Medicare Nursing Home Five Star Quality Rating System (the “Star Rating”) is an annual rating based on the combined results of the health inspection, staffing and quality measures completed during each nursing homes’ annual survey, and the maximum score is five stars.
- (2) Greenwich Woods is in the process of converting nursing rooms into assisted living units. The community was originally licensed for 217 nursing beds and currently operates 90 nursing beds.
- (3) The Medicare Star Rating and payor mix information is not available for EPIC Rehabilitation and Healthcare since it has been open less than 15 months.

Employment Trends

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

Table 7				
Unemployment Trends				
	2018	2019	2020	2021⁽¹⁾
Town of Harrison	4.0%	3.7%	6.7%	5.0%
Westchester County	3.9%	3.6%	8.4%	5.9%
New York MSA	3.9%	3.6%	10.5%	8.7%
New York	4.1%	3.8%	10.1%	8.1%
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 Harrison, Westchester County and the New York MSA is through June. Data for New York and the United States is through July.

According to Westchester County Economic Development, several Fortune 500 companies are located in Westchester County including Danone North America (Dannon yogurt), Heineken USA, IBM, Mastercard, PepsiCo and Regeneron.

Shopping/ Cultural

The area surrounding the Community offers shopping, dining and cultural opportunities. Arts and cultural opportunities on the Purchase College campus include the Neuberger Museum of Art, the Richard and Dolly Maass Gallery, The Performing Arts Center as well as in other performance/exhibition spaces around the campus. Other arts and cultural opportunities include the Hudson Stage Company, Ars Antiqua, Chappaqua Performing Arts Center, Emelin Theatre, ArtsWestchester, the Jacob Burns Film Center and the Westchester Philharmonic, all located within 10 miles of the Community.

The Westchester, an upscale shopping mall approximately three miles west of the Community in White Plains, offers 140 stores, including Nordstrom, Neiman Marcus, Crate and Barrel, Tiffany and Company, Burberry and Gucci, as well as various restaurants. City Center at White Plains, a large mixed-use development shopping complex approximately four miles west of the Community in downtown White Plains, offers 13 stores anchored by Target, Nordstrom Rack and Burlington; a grocery store; a movie theater; multiple restaurants; and the White Plains Performing Arts Center. Galleria White Plains, approximately four miles west of the Community, is an indoor shopping mall anchored by Sears and Macy’s with a total of 65 stores and restaurants. Other recreational opportunities include Cranberry Lake Preserve, a 190-acre park with trails and nature center, approximately six miles northwest of the Community and the Greenburgh Nature Center, a 33-acre nature preserve with trails, indoor live animal exhibits, programs and events and outdoor site and experiences, located approximately eight miles southwest of the Community.

The City of Rye, New York and the Town of Greenwich, Connecticut are both within five miles of the Community and offer dining, shopping and cultural opportunities. Rye is a coastal city located along Long Island Sound. Playland Park, a historic amusement park designated as a National Historic Landmark, offers the Dragon Coaster, one of the oldest wooden roller coasters in the northeast. Rye Nature Center is a 47-acre wildlife preserve with over two miles of hiking trails, ponds, streams, play areas and an animal museum. Located in Greenwich, the Bruce Museum of Arts and Science is a community based institution highlighting art, science and natural history through more than a dozen exhibits annually. The Greenwich Audubon Center is a 295-acre wildlife sanctuary which includes hiking trails, nature exhibits a children's learning center, nature art gallery and nature store. owns and manages 686 acres on seven sanctuaries, including the Main Sanctuary on Riversville Road in Greenwich.

Ten golf courses are located within a three-mile radius of the Community including two public courses. Westchester Country Club, located approximately four miles southwest of the Community, has hosted PGA tournaments for 50 years. Winged Foot Golf Club, approximately eight miles southwest of the Community, has hosted U.S. Opens, a PGA Championship and numerous national tournaments.

In addition to Purchase College, other colleges located within 10 driving miles of the Community include Manhattanville College, Westchester Community College, New York Medical College and Iona College.

Primary Market Area of the Community

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 assuming occupancy at a senior living community. As of August 31, 2021, 176 Independent Living Units have been reserved by 176 Depositors, representing approximately 80 percent of 220 available Independent Living Units. Based on the zip code origin of Depositors, discussions with existing senior living providers in the area and experience with similar communities, the primary market area for independent living has been defined to be a 31-zip code area surrounding the Community, spanning approximately 24 miles from north to south, and 12 miles from east to west at the widest points (the "IL PMA"). In addition, retirement communities typically draw future residents from a market area that is larger than the primary market area. There will likely be some demand for the Community from a secondary market area immediately beyond the defined IL PMA area as well as out of state.

The following table lists the zip codes comprising the IL PMA as well as other areas near the Community such as New York City, other areas of New York and Connecticut.

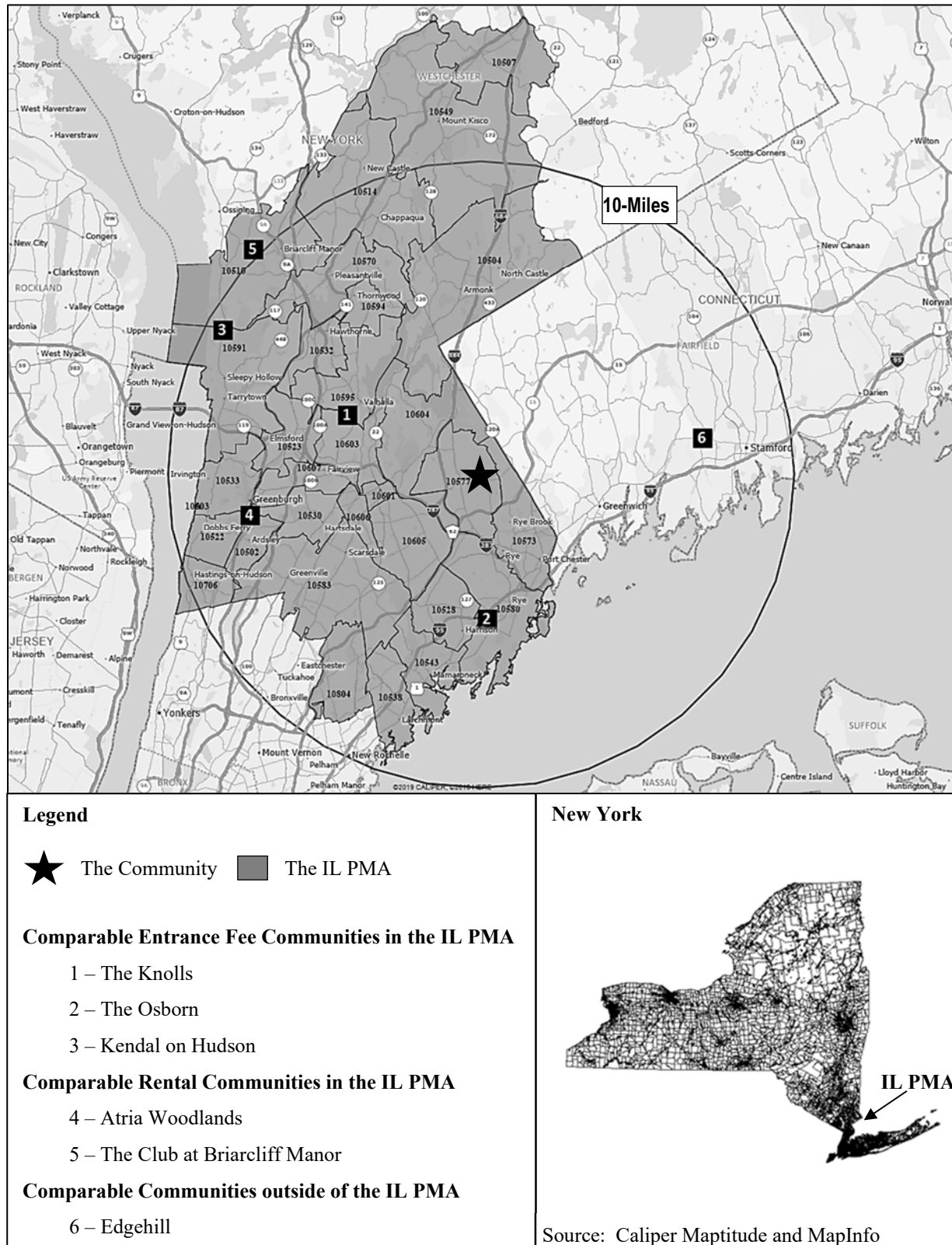
Table 8
Independent Living Depositor Origin Data

Zip Code ⁽³⁾	Town	Market Rate ILUs ⁽¹⁾		Affordable ILUs ⁽¹⁾		Total	Percent
		Number	Percent	Number	Percent		
10605	White Plains	9	6.4%	—	—	9	5.1%
10583	Scarsdale	8	5.6%	—	—	8	4.6%
10549	Mount Kisco	3	2.1%	2	5.9%	5	2.8%
10573	Port Chester	5	3.6%	—	—	5	2.8%
10504	Armonk	5	3.6%	—	—	5	2.8%
10514	Chappaqua	4	2.8%	—	—	4	2.3%
10522	Dobbs Ferry	2	1.4%	2	5.9%	4	2.3%
10528	Harrison	4	2.8%	—	—	4	2.3%
10538	Larchmont	4	2.8%	—	—	4	2.3%
10591	Tarrytown	2	1.4%	2	5.9%	4	2.3%
10804	New Rochelle	3	2.1%	1	2.9%	4	2.3%
10507	Bedford Hills	3	2.1%	—	—	3	1.7%
10577 ⁽²⁾	Purchase	3	2.1%	—	—	3	1.7%
10510	Briarcliff Manor	2	1.4%	—	—	2	1.2%
10530	Hartsdale	1	0.7%	1	2.9%	2	1.2%
10533	Irvington	2	1.4%	—	—	2	1.2%
10543	Mamaroneck	2	1.4%	—	—	2	1.2%
10603	White Plains	1	0.7%	—	—	1	0.5%
10503	Arlon on Hudson	1	0.7%	—	—	1	0.5%
10594	Thornwood	1	0.7%	—	—	1	0.5%
10606	White Plains	1	0.7%	—	—	1	0.5%
10706	Hastings on Hudson	1	0.7%	—	—	1	0.5%
Total from IL PMA Zip Codes		67	47.2%	8	23.5%	75	42.6%
Other Westchester County areas		14	9.8%	4	11.8%	18	10.2%
New York City/Manhattan		19	13.4%	4	11.8%	23	13.1%
Other New York State areas		18	12.7%	8	23.5%	26	14.8%
Connecticut		6	4.2%	3	8.8%	9	5.1%
Other out of state		18	12.7%	7	20.6%	25	14.2%
Total		142	100.0%	34	100.0%	176	100.0%

Source: Management

- (1) Depositor information as of August 31, 2021. The Community has two additional units reserved for a total of 178 units reserved. However, depositors for the two additional units have indicated their intent to cancel their reservation and have not been included as Depositors for purposes of the feasibility study.
- (2) The Community is to be located in zip code 10577.
- (3) Nine zip codes, not shown in the table, were included in the IL PMA for contiguity purposes and include the following: 10502, 10523, 10532, 10570, 10580, 10595, 10601, 10604 and 10607.

The following map depicts the Community and the six comparable independent living communities within or near the IL 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 (the "Census Bureau") has compiled demographic data based on the 2010 census figures. Environics Analytics, a firm that specializes in the analysis of demographic data, has extrapolated the 2010 census information to derive the estimated 2021 figures and forecasted statistics for 2026. The following table presents population data by age cohort and the anticipated average annual compounded percentage change between 2010 and 2021 and 2021 and 2026 in the IL PMA, New York and the United States.

Table 9
Historical, Estimated and Projected IL PMA, New York and United States Populations

	2010 Population (Census)	2021 Population (Estimated)	2026 Population (Projected)	Compounded Annual Percentage Change 2010 – 2021	Compounded Annual Percentage Change 2021 – 2026
<u>IL PMA</u>					
Total Population	403,746	412,352	413,915	0.2%	0.1%
Age 65 to 74 Population	29,224	41,728	50,460	3.3%	3.9%
Age 75 to 84 Population	20,388	21,105	21,954	0.3%	0.8%
Age 85 Plus Population	9,668	11,913	12,348	1.9%	0.7%
Total 65 Plus	59,280	74,746	84,762	2.1%	2.5%
Total 75 Plus	30,056	33,018	34,302	0.9%	0.8%
<u>New York</u>					
Total Population	19,378,102	19,402,459	19,338,839	0.0%	-0.1%
Age 65 to 74 Population	1,360,602	1,955,404	2,265,805	3.4%	3.0%
Age 75 to 84 Population	866,467	975,211	1,038,866	1.1%	1.3%
Age 85 Plus Population	390,874	455,689	467,212	1.4%	0.5%
Total 65 Plus	2,617,943	3,386,304	3,771,883	2.4%	2.2%
Total 75 Plus	1,257,341	1,430,900	1,506,078	1.2%	1.0%
<u>United States</u>					
Total Population	308,745,538	330,946,040	340,574,349	0.6%	0.6%
Age 65 to 74 Population	21,713,429	33,408,314	39,512,957	4.0%	3.4%
Age 75 to 84 Population	13,061,122	16,368,076	18,402,423	2.1%	2.4%
Age 85 Plus Population	5,493,433	6,668,294	7,129,280	1.8%	1.3%
Total 65 Plus	40,267,984	56,444,684	65,044,660	3.1%	2.9%
Total 75 Plus	18,554,555	23,036,370	25,531,703	2.0%	2.1%

Source : Environics Analytics

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

Table 10			
Percentage of Total Population by Age Cohort			
2010 (Census)			
	IL PMA	New York	United States
<u>Age Groupings</u>			
65 plus	14.7%	13.5%	13.0%
75 plus	7.4%	6.5%	6.0%
85 plus	2.4%	2.0%	1.8%
2021 (Estimated)			
	IL PMA	New York	United States
<u>Age Groupings</u>			
65 plus	18.1%	17.5%	17.1%
75 plus	8.0%	7.4%	7.0%
85 plus	2.9%	2.3%	2.0%
2026 (Projected)			
	IL PMA	New York	United States
<u>Age Groupings</u>			
65 plus	20.5%	19.5%	19.1%
75 plus	8.3%	7.8%	7.5%
85 plus	3.0%	2.4%	2.1%

Source: Environics Analytics

Estimated Eligible Households within the IL PMA

Income – Market Rate IL Units

In order to qualify for residency in a Market Rate IL Unit, a prospective resident must be at least 62 years of age (or if a couple, one spouse is at least 62 years of age and the other spouse at least 55 years of age) and demonstrate sufficient financial resources to pay the 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 are eligible to reside in a Market Rate IL Unit. The Corporation utilizes the Examiner system to financially evaluate a prospective Resident's net worth and monthly income while taking into consideration the life expectancy of a prospective Resident. Examiner projects income for prospective Residents based on their financial assets and income sources and compares this revenue to projected expenses such as monthly fees, personal expenses and income taxes.

In addition, Management has considered the following two annual household income scenarios for estimating the number of income-qualified households for Market Rate IL Units in the IL PMA:

- Annual household income approximately \$75,000 or more based on the Monthly Fee of smallest one-bedroom Market Rate IL Unit (approximately \$4,400); and
- Annual household income approximately \$100,000 or more based on the smallest two-bedroom Market Rate IL Unit (approximately \$5,400).

Income – Affordable IL Units

The Enabling Act requires that 20 percent of the Independent Living Units are affordable to individuals or families whose incomes at the time of initial occupancy do not exceed 80 percent of the Westchester County AMI. According to HUD, the Westchester County AMI is \$71,400 for a single resident and \$81,600 for two residents in 2021. As of August 31, 2021, 33 of the 34 Affordable IL Unit Depositors (97 percent) are single occupants.

Age

For purposes of quantifying the number of income-qualified households in the IL PMA, households age 75 or older are considered to be the most likely to establish residency in an Independent Living Unit. The composition of Depositors as of August 31, 2021 is described in the table below.

Table 11
Depositor Age on Entry

Age Group of Primary Depositors ⁽¹⁾	<u>Market Rate IL Units</u>		<u>Affordable IL Units</u>		Total	Percent
	Number	Percent	Number	Percent		
Under 75	14	9.9%	10	29.4%	24	13.6%
75 and older	128	90.1%	24	70.6%	152	86.4%
Total Primary Depositors	142	100.0%	34	100.0%	176	100.0%
Average Age at Move-in	81		79			

Source: Management

(1) Represents the age of primary Depositors when the Community opens in 2023.

Based on self-reported Depositor information provided by Management as of August 31, 2021:

- Of the Depositors for Market Rate IL Units, the median annual income is approximately \$132,000 and the median net worth is approximately \$4,661,000.
- Of the Depositors for Affordable IL Units, the median annual income is approximately \$48,000 and the median net worth is approximately \$972,000.

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

Table 12			
Income Qualified Households for Independent Living Services within the IL PMA			
	2021 (Estimated)		
	65 – 74	75+	Total
Total Households:	24,778	21,171	45,949
<u>Household Income</u>			
Under \$35,000	3,643	7,072	10,715
\$35,000 – 49,999	1,845	2,355	4,200
\$50,000 – 74,999	3,009	2,949	5,958
Total Under \$75,000	8,497	12,376	20,873
<u>\$75,000 and over</u>			
\$75,000 – 99,999	2,981	2,072	5,053
\$100,000 – 124,999	2,191	1,390	3,581
\$125,000 – 149,999	1,844	1,276	3,120
\$150,000 plus	9,265	4,057	13,322
Total \$75,000 and over	16,281	8,795	25,076
Percent \$75,000 and over Households to Total Households	65.7%	41.5%	54.6%
Total \$100,000 and over	13,300	6,723	20,023
Percent \$100,000 and over Households to Total Households	53.7%	31.8%	43.6%
	2026 (Projected)		
Total Households:	29,811	21,895	51,706
<u>Household Income</u>			
Under \$35,000	3,761	6,742	10,503
\$35,000 – 49,999	2,059	2,324	4,383
\$50,000 – 74,999	3,226	2,860	6,086
Total Under \$75,000	9,046	11,926	20,972
<u>\$75,000 and over</u>			
\$75,000 – \$99,999	3,380	2,146	5,526
\$100,000 – \$124,999	2,545	1,458	4,003
\$125,000 – \$149,999	2,234	1,397	3,631
\$150,000 plus	12,606	4,968	17,574
Total \$75,000 and over	20,765	9,969	30,734
Percent \$75,000 and over Households to Total Households	69.7%	45.5%	59.4%
Total \$100,000 and over	17,385	7,823	25,208
Percent \$100,000 and over Households to Total Households	58.3%	35.7%	48.8%

Source: Environics Analytics

The following table compares the percentage of income-qualified households to total households for households age 75 and above within the IL PMA, New York, and the United States.

Table 13			
Comparison of Income-Qualified Households – Age 75 and Above – 2026			
Percent of Households to Total Households – Under \$75,000			
	IL PMA	New York	United States
Under \$35,000	30.8%	45.2%	43.5%
\$35,000 – 49,999	10.6%	13.0%	14.8%
\$50,000 – 74,999	13.1%	13.7%	15.7%
Percent of Households to Total Households – \$75,000 and Above			
	IL PMA	New York	United States
\$75,000 and over	45.5%	28.1%	26.0%
\$100,000 and over	35.7%	20.1%	17.6%

Source: Environics Analytics

The following table estimates the number of age- and income-qualified households in the IL PMA as estimated in 2021, interpolated in 2023 and projected in 2026 based on the 2010 Census for income-qualified households \$75,000 and above and \$100,000 and above.

Table 14			
Income Eligible Households for Independent Living Services Within the IL PMA			
	Age 75 and Above		
	2021	2023	2026
Total \$75,000 and over	8,795	9,264	9,969
Percent \$75,000 and over Households to Total Households	41.5%	43.2%	45.5%
Total \$100,000 and over	6,723	7,162	7,823
Percent \$100,000 and over Households to Total Households	31.8%	33.4%	35.7%

Source: Environics Analytics

Market Area Real Estate

The ability of potential residents to sell their home prior to assuming occupancy at a senior living community may have an impact on the ability of residents to pay the required entrance fee. Often, entrance fees are paid with funds received through the sale of a prospective resident's home. The following tables summarize the real estate statistics for the IL PMA.

Approximately 53 percent of Depositors currently reside in Westchester County, New York. The following table summarizes the real estate statistics for Westchester County, New York.

Table 15
Single Family Home Sales Trends – Westchester County, New York

Year	Number of Homes Sold	Median Sales Price	Average Sales Price	Average Days on Market
2018	5,883	\$650,000	\$856,675	75
2019	5,838	\$655,000	\$850,348	77
2020	6,645	\$736,819	\$948,548	73
2021 ⁽¹⁾	3,328	\$768,500	\$1,026,110	59

Source: OneKey MLS

(1) Information through June 30, 2021.

The following table summarizes the real estate statistics for zip codes in the IL PMA from which three or more Depositors currently reside.

Table 16
Market Area Real Estate Trends – Single Family Homes

Zip Code	City	2019		2020		2021 ⁽¹⁾	
		Number of Homes Sold	Median Sales Price	Number of Homes Sold	Median Sales Price	Number of Homes	Median Sales Price
10605	White Plains	237	\$675,000	245	\$700,000	149	\$905,000
10583	Scarsdale	258	\$1,399,000	298	\$1,595,000	217	\$1,740,000
10573	Rye Brook	108	\$525,000	99	\$570,000	70	\$656,000
10504	Armonk	151	\$990,000	191	\$1,070,000	115	\$1,435,000
10514	Chappaqua	183	\$850,000	304	\$947,750	176	\$1,110,000
10522	Dobbs Ferry	66	\$811,250	69	\$819,000	48	\$1,351,516
10528 ⁽²⁾	Harrison	157	\$1,250,000	211	\$1,360,000	118	\$1,450,000
10538	Larchmont	269	\$1,160,000	289	\$1,200,000	202	\$1,575,000
10591	Tarrytown	68	\$776,000	79	\$775,000	37	\$732,000
10804	New Rochelle	332	\$675,000	417	\$740,000	259	\$888,850
10507 ⁽³⁾	Bedford Hills	240	\$725,000	345	\$860,000	188	\$874,250
Total/Weighted Avg.		2,069	\$916,074	2,547	\$1,002,160	1,579	\$1,199,815

Source: One Key MLS

(1) Information through June 30, 2021.

(2) Includes information for zip code 10577 (Purchase), which is a hamlet in Harrison.

(3) Includes information for zip code 10549 (Mount Kisco), which is a hamlet in Bedford Hills.

Continuing Care Regulatory Requirements

The Independent Living Units are regulated by the Real Estate Finance Bureau (the “Bureau”) of the Office of the Attorney General of the State of New York (the “Attorney General”). The Bureau is charged with enforcing Article 23-A of the General Business Law (the “Martin Act”) and governing regulations that regulate the offer and sale of real estate securities, including cooperative interests in realty, syndications and intrastate offerings. The Bureau is also charged with ensuring that all broker-dealers of real estate securities register with the Attorney General prior to engaging in any sales activity, including offers, sales and advertising. The marketing and sale of the Independent Living Units is governed by an offering plan (the “Offering Plan”), which was approved by the Attorney General on March 4, 2019. The Offering Plan was subsequently amended and extended various times since its initial approval and was most recently extended in July 2021. The Offering Plan, which is required to be extended every six months, allows potential residents to enter into a Residency Agreement. Entrance Fee Deposits are held in an interest bearing account pursuant to the Martin Act, Sections 352-e(2-b) and 352-h and the Attorney General’s regulations as amended on November 14, 2012.

Some of the comparable independent living communities are continuing care retirement communities (“CCRC”) (otherwise known as life plan communities), which are regulated by the State Department of Health (the “Department”), the Department of Insurance and the Continuing Care Retirement Community Council (the “Council”) under the provisions of Article 46, later amended to include Article 46-A which established fee-for-service retirement communities, of the Public Health Law of the State of New York (“Article 46”) and the Department of Financial Services regulations. Article 46 governs the development and financing of CCRCs in New York and is for communities which, among other things, provide a range of health care and social services which shall include home health care, nursing care, and at a minimum, sixty days of prepaid services within an on-site or affiliated nursing facility.

Comparable Retirement Communities

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

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

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

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

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

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

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

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

Table 17
Existing Entrance Fee Communities Within or Near the IL PMA

	The Community	The Knolls	The Osborn
Location	Purchase – 10577	Valhalla – 10595	Rye – 10580
Within or Near the IL PMA	Within the IL PMA	Within the IL PMA	Within the IL PMA
Driving Miles from the Community	–	8.3	8.4
Sponsor/Developer	The Corporation	Bethel Homes and Services	Miriam Osborn Memorial Home Association
Year Opened	2003	2002	1908/2001/2013
Type of Contract	Type B	Type B & Type C	Type C
Not-for-Profit/For-Profit	Not-for-Profit	Not-for-Profit	Not-for-Profit
Unit Configuration			
<i>Independent Living Units (ILUs:)</i>			
Studio apartments	–	–	–
One-bedroom apartments	72	56	38
Two-bedroom apartments	102	64	102
Homes/Cottages/Villas	46	–	48
Total ILUs	220	120	188
<i>Assisted Living/Memory Care Units</i>	36 AL/32 MC	10	97 AL/13 MC
<i>Nursing Care Beds</i>	–	20	84
Independent Living			
<i>Square Footage</i>			
Studio apartments	–	–	–
One-bedroom apartments	882 – 1,008	701 – 879	756 – 757
Two-bedroom apartments	1,101 – 1,907	1,047 – 1,589	1,031 – 1,787
Homes/Cottages/Villas	1,874 – 2,161	–	1,586 – 1,900
<i>Entrance Fees</i>			
Studio apartments	–	–	–
One-bedroom apartments	\$631,070 – 758,00	\$321,149 – 444,484	\$584,146 – 616,022
Two-bedroom apartments	\$844,000 – 1,841,000	\$518,000 – 724,975	\$865,466 – 1,658,705
Homes/Cottages/Villas	\$1,722,477 – 2,016,930	–	\$1,391,035 – 1,732,558
2nd Person Entrance Fee	–	\$22,497	\$43,767 – 46,432
<i>Monthly Fees</i>			
Studio apartments	–	–	–
One-bedroom apartments	\$4,429 – 4,841	\$3,814 – 4,489	\$4,681 – 4,727
Two-bedroom apartments	\$5,356 – 8,961	\$5,568 – 6,923	\$5,248 – 7,015
Homes/Cottages/Villas	\$9,064 – 10,403	–	\$6,622 – 7,291
2nd Person Monthly Fee	\$1,550	\$1,350	\$1,125
<i>Refund Options</i>	90%	0%/90% (shown)	80%/100% (shown)
Assisted Living			
<i>Monthly Fees</i>	\$12,532	\$7,854	\$10,647 – 16,387
<i>Care Fees</i>	–	–	All-inclusive
Memory Care			
<i>Monthly Fees</i>	\$14,098	–	\$13,662
<i>Care Fees</i>	–	–	All-inclusive
Nursing Care			
<i>Daily Rate</i>	–	\$464	\$675
Occupancy Rate			
<i>Independent Living</i>	–	90%	89%
<i>Assisted Living / Memory Care</i>	–	70%	73% / 86%
<i>Nursing Care</i>	–	70%	74%

Source: Management, NIC Map® Data Service and surveys conducted by Dixon Hughes Goodman LLP (“DHG”) through August 2021.

Table 17 (continued)
Existing Entrance Fee Communities Within or Near the IL PMA

	Kendal on Hudson	Edgehill
Location	Sleepy Hollow – 10591	Greenwich, CT – 10580
Within or Near the IL PMA	Within the IL PMA	Near the IL PMA
Driving Miles from the Community	16.0	15.2
Sponsor/Developer	Kendal Retirement Communities	Benchmark Senior Living
Year Opened	2005	1999
Type of Contract	Type A/Type B	Type A
Not-for-Profit/For-Profit	Not-for-Profit	For-Profit
Unit Configuration		
<i>Independent Living Units (ILUs:)</i>		
Studio apartments	10	–
One-bedroom apartments	95	72
Two-bedroom apartments	117	144
Homes/Cottages/Villas	–	–
Total ILUs	222	216
<i>Assisted Living/Memory Care Units</i>	34 AL/13 MC	10 AL/22 MC
<i>Nursing Care Beds</i>	26	42
Independent Living		
<i>Square Footage</i>		
Studio apartments	535 – 630	–
One-bedroom apartments	840 – 1,180	765 – 971
Two-bedroom apartments	1,010 – 1,540	1,022 – 1,864
Homes/Cottages/Villas	–	–
<i>Entrance Fees</i>		
Studio apartments	\$226,300 – 283,900	–
One-bedroom apartments	\$511,900 – 1,264,400	\$660,000 – 860,000
Two-bedroom apartments	\$857,600 – 1,873,400	\$975,000 – 1,800,000
Homes/Cottages/Villas	–	–
2nd Person Entrance Fee	See note	\$74,000
<i>Monthly Fees</i>		
Studio apartments	\$4,663	–
One-bedroom apartments	\$6,077 – 6,699	\$5,796 – 6,470
Two-bedroom apartments	\$7,288 – 8,596	\$7,150 – 12,000
Homes/Cottages/Villas	–	–
2nd Person Monthly Fee	\$2,700	\$2,850
<i>Refund Options</i>	0%/50%/90% (shown)	90%
Assisted Living		
<i>Monthly Fees</i>	\$8,610 – 11,225	\$11,102
<i>Care Fees</i>	All-inclusive	\$760 – 1,825
Memory Care		
<i>Monthly Fees</i>	\$12,720	\$11,102
<i>Care Fees</i>	All-inclusive	\$760 – 1,825
Nursing Care		
<i>Daily Rate</i>	\$576	\$606 – 654
Occupancy Rate		
<i>Independent Living</i>	91%	93%
<i>Assisted Living / Memory Care</i>	63%/77%	90%/95%
<i>Nursing Care</i>	70%	83%

Source: Management, NIC Map® Data Service and surveys conducted by Dixon Hughes Goodman LLP (“DHG”) through August 2021.

Notes to Table:**The Community**

- (1) The Monthly Fees shown are in 2021 dollars.
- (2) The total number of one-bedroom Independent Living Units includes the 44 Affordable IL Units. Entrance Fees for the Affordable IL Units are \$250,000 for single occupancy and \$333,000 for double occupancy. Monthly Fees for the Affordable IL Units range from \$3,457 to \$3,972 for single occupancy with a second person Monthly Fee of \$520.
- (3) A prospective resident of the Affordable IL Units must have no more than 80 percent of the Westchester County AMI for a one-person household for single occupants or a two-person household for double occupants. According to HUD, the Westchester County AMI is \$71,400 for a single resident and \$81,600 for two residents in 2021.

The Knolls

- (1) Entrance fees and monthly fees shown are for the Type B 90% refundable plan. The Knolls also offers a Type B declining balance plan, a Type C declining balance plan, and a Type C 90% refundable plan.
- (2) In addition to the base monthly fee shown for the assisted living units, two additional levels of care are available for the following approximate monthly fees: Level I is \$659 and Level II is \$1,070.
- (3) Residents who select a Type B contract receive 60 cumulative lifetime assisted living and 60 cumulative lifetime nursing days at the same monthly fee as the independent living monthly fee. Once the health care days have been exhausted, the resident is to pay the then current private pay monthly fee or daily fee.
- (4) Occupancy information for the assisted living units and nursing beds as of March 31, 2021.

The Osborn

- (1) The Osborn has undergone various renovation and expansion projects since its inception in 1908. In 2001, a 10-year renovation and expansion project was completed which included the construction of the independent living units and nursing beds; renovations to the main buildings, which created 110 assisted living and rental independent living units; and the construction of a pool and spa. In 2012, a renovated and expanded rehabilitation center was completed. In 2013, the organization completed the memory care units.
- (2) An 80 percent refundable plan is available in the one-bedroom units. Entrance fees are approximately \$510,000 and monthly fees are the same as the 100 percent refundable plan.
- (3) A rental option is available for the independent living apartments. The monthly rental fees are \$6,123 to \$6,950 for studio apartments, \$6,800 to \$9,254 for one-bedroom apartments and \$9,191 to \$12,689 for two-bedroom apartments.
- (4) The 97 assisted living units can be utilized for independent or assisted living services. Monthly fees for independent living residents in the assisted living units ranges from \$6,123 to \$12,689.

Kendal on Hudson

- (1) In addition to the 90 percent refundable plan shown, Kendal on Hudson offers a non-refundable and a 50 percent refundable entrance fee plan. Entrance fees for the non-refundable plan and 50 percent refundable plan range from \$142,600 to \$1,181,000 and \$163,900 to \$1,439,000, respectively. Monthly fees for the non-refundable plan range from \$4,197 to \$7,735, with a second person monthly fee of \$2,429. Monthly fees for the 50 percent refundable plan are the same as the 90 percent refundable plan.
- (2) Residents choosing the Type A plan pay a one-time lifecare fee of \$95,000 per person. The second person entrance fee would only apply to residents under the Type A contract. Residents with long-term care insurance may select a Type B contract that provides a partial credit of the lifecare fee; the amount of the credit is based on the per diem time period the resident selects from one, three or five years. Under the Type B contract, the resident receives 100 cumulative nursing days. After the 100 days, the resident pays the per diem nursing rate for the duration of the per diem time period selected. After the selected per diem time period expires, the resident resumes paying the independent living monthly fee regardless of the level of care required.
- (3) The majority of health care residents are internal transfers.

Edgehill

- (1) Due to its location near the IL PMA, Edgehill has been included for informational purposes only and is not included in the following independent living penetration rate analysis.
- (2) There is a one-time, non-refundable community fee of \$6,000 for assisted living and memory care.
- (3) Edgehill rarely accepts direct admissions into the health care center.

Table 18
Existing Rental Communities Within the IL PMA

	Atria Woodlands	The Club at Briarcliff Manor
Location	Ardsley – 10502	Briarcliff Manor – 10510
Within or Near the IL PMA	Within the IL PMA	Within the IL PMA
Driving Miles from the Community	11.3	15.7
Sponsor/Developer	Atria Senior Living	Senior Lifestyle Corp.
Year Opened	2004	2019
Type of Contract	Rental	Rental
Not-For-Profit/For-Profit	For-profit	For-profit
Unit Configuration		
<i>Independent Living Units (ILUs:)</i>		
Studio apartments	5	–
One-bedroom apartments	68	115
Two-bedroom apartments	20	53
Homes/Cottages/Villas	–	–
Total ILUs	93	168
<i>Assisted Living/Memory Care Units</i>	42 AL/23 MC	87 AL/32 MC
<i>Nursing Care Beds</i>	–	–
Independent Living		
<i>Square Footage</i>		
Studio apartments	445	–
One-bedroom apartments	590 – 940	655 – 800
Two-bedroom apartments	945 – 1,225	900 – 1,200
Homes/Cottages/Villas	–	–
<i>Monthly Fees</i>		
Studio apartments	\$5,000 – 5,500	–
One-bedroom apartments	\$5,700 – 6,300	\$5,600 – 7,500
Two-bedroom apartments	\$6,700 – 8,000	\$8,000 – 12,000
Homes/Cottages/Villas	–	–
2 nd Person Monthly Fee	\$1,500	\$1,500
<i>Community Fee</i>	One month's rent	One month's rent
Assisted Living		
<i>Monthly Fees</i>	\$5,700 – 8,700	\$9,500 – 13,200
<i>Care Fees</i>	\$700 – 4,200	All-inclusive
Memory Care		
<i>Monthly Fees</i>	\$9,000	\$13,500
<i>Care Fees</i>	All-inclusive	All-inclusive
Nursing Care		
<i>Daily Rate</i>	–	–
Occupancy Rate		
<i>Independent Living</i>	80%	55%
<i>Assisted Living / Memory Care</i>	100%/64%	80%/92%
<i>Nursing Care</i>	–	–

Source: NIC Map[®] Data Service and surveys conducted by DHG through August 2021.

*Notes to Table:***Atria Woodlands**

- (1) The second person monthly fee in the assisted living units is \$1,500.
- (2) In addition to the base rates shown, six levels of care are offered in the assisted living units ranging from \$700 to \$4,200 per month.

The Club at Briarcliff

- (1) The facility representative at The Club at Briarcliff indicated independent living occupancy is lower than industry averages as a result of being in fill-up (opened in September 2019) primarily during COVID-19.

Non-Comparable Retirement Communities in the IL PMA

Atria Rye Brook, approximately three miles east of the Community in Rye Brook, is a rental independent living community operated by Atria Senior Living, Inc. Atria Rye Brook offers 166 independent living units in studio, one-bedroom and two-bedroom configurations. Studio apartments are 545 square feet with monthly fees starting at \$6,195. One-bedroom apartments range from 624 to 820 square feet with monthly fees ranging from \$5,295 to \$8,095. Two-bedroom apartments range from 945 to 1,086 with monthly fees starting at \$7,995. Occupancy of Atria Rye Brook is 97 percent. Due to the lack of healthcare units, Atria Rye Brook is not considered comparable to the Community and is not included in the following penetration rate analyses.

Comparable Retirement Communities Planned or Under Development in the IL PMA

Based on discussions with representatives of the local planning and permitting agencies and interviews with management at existing retirement communities, in addition to the Community, eight new independent living projects or expansions are planned in or near the IL PMA.

Comparable Planned Communities within the IL PMA*900 King Street*

George Comfort and Sons is developing a rental senior living community at 900 King Street in Rye Brook, approximately two miles southeast of the Community, which is currently occupied by a mostly vacant office building. The office building is to be demolished and replaced with 126 independent living apartments in a three- and four-story building, 20 independent living townhomes, 85 assisted living units and new parking spaces. The project is currently under review by the Village of Rye Brook Planning Board and Architectural Review Board. Initial site plans for the project were submitted to the Village of Rye Brook in February 2021 with updated architectural renderings and revised planting and construction management plans submitted in July 2021. *The proposed independent living units at 900 King Street are comparable to the Community and included in the following penetration rate analysis.*

Brightview Senior Living – West Harrison

Brightview Senior Living Development, LLC is developing a proposed rental independent living, assisted living and memory care community, approximately three miles northwest of the Community at 600 Lake Street in West Harrison, at the site of the former Lake Street Quarry (“Brightview – West Harrison”). Brightview – West Harrison is expected to include 74 independent living units, 49 assisted living units and 25 memory care units. According to the

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Harrison Town Building Department, representatives for the project have applied for a building permit. Construction is estimated to begin in fall 2021 after the building permit has been received. The project completion date and pricing information are not available at this time. *The proposed independent living units at Brightview – West Harrison are comparable to the Community and are included in the following penetration rate analysis.*

52 North Broadway

WP Development NB, LLC is developing a proposed residential campus including various housing options on approximately 16-acre of land known as “52 North Broadway”, approximately four miles west of the Community in downtown White Plains. The property, previously owned and operated by The Sisters of the Divine, was home to the Good Counsel Convent campus. The proposed project is expected to include 232 rental independent living units and 103 assisted living and memory care units (116 beds) as well as 28 multi-family townhomes and 48 workforce apartments, both non-age restricted. Plans include the preservation of the Good Counsel Chapel, the façade of the Good Counsel Convent and other buildings and areas on the site. The project is to be owned and operated by a yet-to-be named care provider with approximately 300 communities in operation. The White Plains Common Council accepted the environmental findings, zoning amendment and master planning in March 2021. Pending actions required are site plan approval and review by the White Plains Historic Preservation Commission. *The proposed independent living units at 52 North Broadway are comparable to the Community and included in the following penetration rate analysis.*

Brightview Senior Living – White Plains

Brightview Senior Living Development, LLC is a proposed rental retirement community, approximately seven miles west of the Community, on a parcel of land formerly owned by the Metropolis Country Club on Dobbs Ferry Road in Greenburgh (“Brightview – White Plains”). Brightview – White Plains is expected to include 90 independent living units, 45 assisted living units and 25 memory care units in a three- to four-story building. The Greenburgh Planning Board approved the project in February 2021. Management of Brightview – White Plains anticipates construction of the project to commence in late-2021 and be available for occupancy in or early 2023. Pricing information is not available at this time. *The proposed independent living units at Brightview – White Plains are comparable to the Community and are included in the following penetration rate analysis.*

Brightview Senior Living – Mount Pleasant

Brightview Senior Living Development, LLC is developing a retirement community, approximately nine miles northwest of the Community, on an undeveloped site near Westchester Community College on Grasslands Road in Mount Pleasant (“Brightview – Mt. Pleasant”). Brightview – Mt. Pleasant is expected to include a total of 170 rental independent living units, assisted living units and memory care units. Prior to receiving site plan approvals from the Mount Pleasant Planning Board, a zoning change was requested with the Mount Pleasant Town Board to allow for both independent living and assisted living units on the same site. Under the prior town code, assisted living facilities could not be combined with independent living housing. The Town Board approved the zoning change in March 2021. Site plan review, including a public hearing, have not been scheduled to date. Management of Brightview – Mt. Pleasant anticipates

construction of the project would commence in late 2022 and be available for occupancy in early to mid-2024, assuming all approvals are received. Pricing information is not available at this time. *Based on similar Brightview Senior Living communities it is assumed that 95 of the 170 proposed units would be independent living units, are comparable to the Community and are included in the following penetration rate analysis.*

The Osborn

The Osborn, an existing community, located approximately 11 miles south of the Community, is contemplating an expansion to the campus over the next 10 to 15 years. The plan currently considers the phased replacement of 20 existing duplex cottages with 80 independent living units in four four-story buildings with structured parking on the first level; the construction of a new independent living support building with gathering and dining options; and the construction of a new 50 unit assisted living building. In November 2018, The Miriam Osborn Memorial Home Association submitted a request for rezoning to the Rye City Council to create new use and development standards for senior living facilities in its district and specifically on The Osborn campus. While the request was approved in late 2019, due to local community opposition regarding new building heights and loss of greenspace, the request is still under review and no definitive plans have been confirmed at this time. *Due to project uncertainty, the proposed project units have been disclosed for informational purposes only and not been included in the following penetration rate analysis.*

The Club at Briarcliff Manor

The Club at Briarcliff Manor, an existing community located approximately 16 miles northwest of the Community, is considering an expansion of its independent living units. The expansion would include 24 independent living townhomes and 13 independent living villas. The townhomes and villas would range in size from 2,000 to 2,200 square feet and from 2,800 to 3,200 square feet, respectively. Additional expansion considerations include a 60-unit healthcare center that would include assisted living, memory care and nursing care. At this time all plans are considered preliminary and timing has not been determined; however, a facility representative of The Club at Briarcliff Manor indicated it is likely a minimum of two years before any expansion plans are finalized. *Due to project uncertainty, the proposed project units have been disclosed for informational purposes only and not been included in the following penetration rate analysis.*

Non-Comparable Planned Communities within the IL PMA

North Street Community

North Street Community, LLC (“North Street”) is planning a senior living community, approximately four miles southwest of the Community on the site of the former St. Agnes Hospital at 315 North Street in White Plains. The current site includes The Bristol Assisted Living at White Plains, a medical office building and a rehabilitation center for children. The proposed project, which is expected to offer 329 rental independent living units, was initially approved by the City of White Plains planning board in 2007. In August 2020, the project was granted another three-year extension by the City of White Plains Common Council. Additional site plan amendments may be required for the project. *Due to the uncertainty of the project, North Street has not been*

included in the following penetration rate analysis and has been included for informational purposes only.

Waterstone of Westchester

Waterstone of Westchester (“Waterstone”) is a proposed independent living community currently under construction, approximately four miles southwest of the Community on the former site of the Nestle Co. headquarters at 120 Bloomingdale Road in White Plains. Waterstone, developed by EPOCH Senior Living and National Development, is expected to include 132 rental independent living units in one- and two-bedroom configurations with monthly fees starting at \$8,700 for one-bedroom apartments and \$10,300 for two-bedroom apartments. Waterstone is not expected to offer dedicated assisted living units or any medical facilities on-site; however, an on-site coordinated care program, anticipated to be provided by Visiting Nursing Services Westchester, is expected to be available for assistance with care as needed. Services expected to be included in the monthly fee include 30 meals per month and weekly housekeeping. Amenities are expected to include a private and main dining room, lobby bar, wellness center, indoor pool, movie theater, art studio, salon and spa. The project is currently under construction and anticipated to open in early 2022. *Due to the lack of assisted living units at the project, Waterstone has not been included in the following penetration rate analysis and has been included for informational purposes only.*

Comparable Near the IL PMA

River’s Edge

RiverSpring Health Senior Living, Inc (“RiverSpring”) is developing a CCRC to be known as River’s Edge, approximately 20 miles southwest of the Community in the Bronx outside of the IL PMA, on a campus which includes the facilities of Hebrew Home for the Aged at Riverdale (“Hebrew Home”), which offers 35 assisted living units and 843 nursing beds; Hudson House, which offers 59-unit HUD Section 202 senior housing units; and RiverWalk, a 137 unit senior housing community.

River’s Edge is expected to include a total of 388 independent living apartments under Type A and Type B contracts in two-phases on land adjacent to RiverWalk. The first phase is expected to include approximately 270 independent living apartments in a tower building with apartments in one- and two-bedroom configurations ranging from 750 to 1,300 square feet. The second phase is expected to include approximately 118 independent living apartments with apartment sizes similar to the first phase in two towers adjacent to Hebrew Home. Common areas include, but are not limited to, dining rooms, bistro/bar, arts and crafts areas, a beauty salon, wellness center (including a pool and spa) as well as other public gathering areas. Assisted living, memory care and nursing services would be offered in Hebrew Home for both phases.

RiverSpring has received approvals from the Department and began accepting 10 percent deposits in spring 2021. RiverSpring is estimated to open in January 2024; however, the opening date is contingent upon the community reaching the appropriate number of presales for financing. *River’s Edge has been profiled for informational purposes only and not included in the following penetration rate analyses.*

Summary of Comparable Independent Living Units in the IL PMA

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

Table 19			
Summary of Comparable Independent Living Units within the IL PMA			
Retirement Communities⁽¹⁾	Existing	Planned	Total
<i>Existing Entrance Fee Units</i>			
The Knolls	120	—	120
The Osborn	188	—	188
Kendal on Hudson	222	—	222
Subtotal Entrance Fee Units	530	—	530
<i>Existing Rental Units</i>			
Atria Woodlands	93	—	93
Club at Briarcliff Manor	168	—	168
Subtotal Existing Rental Units	261	—	261
<i>Planned Independent Living Units</i>			
Brightview Senior Living – West Harrison	—	74	74
Brightview Senior Living – White Plains	—	90	90
900 King Street ⁽³⁾	—	146	146
52 North Broadway ⁽³⁾	—	232	232
Brightview Senior Living – Mount Pleasant ⁽³⁾	—	95	95
Total Existing and Planned Comparable Units	—	637	637
The Community⁽²⁾	—	176	176
Total Existing and Planned IL in the IL PMA	791	813	1,604

Source: Management and surveys conducted through May 2021.

- (1) The independent living units at Edgehill have not been included in the following penetration rates due to its location outside of the IL PMA.
- (2) The 44 Affordable IL Units are not included in the following penetration rate analysis due to their maximum income requirement of \$71,400 for a single resident and \$81,600 for two residents.
- (3) 900 King Street, 52 North Broadway, and Brightview Senior Living – Mount Pleasant are anticipated to open after the Community opens for occupancy in 2023. Therefore, the independent living units at these communities are not included in the following project penetration rate or net market penetration rate analyses, which are reflected in the year of opening for the Community.

Independent Living Penetration Analysis

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

Project Penetration Rate – The Project Penetration Rate is the percentage of age- and income-qualified households in the IL PMA the Community is expected to capture in order to achieve stabilized occupancy in the year of opening. The Project Penetration Rate is calculated by dividing the number of Independent Living Units by the number of age- and income-qualified households in the IL PMA. Seniors currently living in competitive independent living units in the IL PMA are subtracted from the pool of age- and income-qualified households. Calculations are based on demographics interpolated for the year the Community is 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 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 IL PMA by the number of age and income qualified households in the IL 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 Community is 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 IL PMA by the number of age- and income-qualified households in the IL 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 IL 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 IL PMA, the number of proposed facilities in the IL 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 IL PMA the Community is expected to capture upon opening in order to achieve stabilized occupancy, assuming an annual household income of \$75,000 and over and \$100,000 and over, based upon the income qualification at the Community and demographic projections for 2023.

Table 20
Project Penetration Rate – 2023

	Age 75 and Above with Income \$75,000 and Above	Age 75 and Above with Income \$100,000 and Above
Planned units at the Community ⁽¹⁾	176	176
Percentage of units to be filled from the IL PMA ⁽²⁾	50%	50%
Planned units to be filled from the IL PMA	88	88
Percentage of units to be filled by age 75 and older ⁽²⁾	90%	90%
Planned units to be filled by age 75 and older	79	79
Total units at the Community to be filled at 95% occupancy (a)	75	75
Number of age- and income-qualified households ⁽³⁾	9,264	7,162
Less: Existing inventory of available comparable units ⁽⁴⁾	(907)	(907)
Net number of age- and income-qualified households (b)	8,357	6,255
Project Penetration Rate (a/b)	0.9%	1.2%

Source: Management and Environics Analytics

- (1) The 44 Affordable IL Units are not included in the project penetration rate due to the maximum income requirement of no more than 80 percent of the Westchester County AMI (\$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.) Including the 44 Affordable IL Units, the project penetration rates would increase to 1.1 percent and 1.5 percent for the \$75,000 and \$100,000 income qualifications, respectively.
- (2) Based upon Depositor information provided by Management as of August 31, 2021 for Market Rate IL Units.
- (3) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Environics Analytics.
- (4) Reflects the 791 existing independent living units in the IL PMA and the 164 planned independent living units in the IL PMA expected to be open by 2023 based on a 95 percent occupancy assumption (907 units). The total number of planned units excludes 900 King Street, 52 North Broadway, Brightview Senior Living – Mt. Pleasant due to anticipated opening dates beyond 2023.

The following table presents the Net Market Penetration Rate for the year the Community is anticipated to open, and indicates the percentage of the age- and income-qualified households in the IL PMA that must be absorbed in order to fill the available units during that year. The number of age- and income-qualified households is based on 2010 Census data and interpolated for the year 2023.

Table 21
IL PMA Net Market Penetration Rate – 2023

	Age 75 and Above	
	Income \$75,000 and Above	Income \$100,000 and Above
Planned units in the IL PMA:		
The Community ⁽¹⁾	176	176
Other planned units ⁽²⁾	164	164
Total planned units	340	340
Percentage of units to be occupied by age 75 and older ⁽³⁾	90%	90%
Total planned units to be occupied by age 75 and older	306	306
Total planned units to be occupied from the IL PMA at 95% occupancy	291	291
Unoccupied units to be filled within the IL PMA ⁽⁴⁾	138	138
Total existing units available due to attrition ⁽⁵⁾	123	123
Total units to be occupied	552	552
Percent of units to be occupied from the IL PMA ⁽³⁾	50%	50%
Total units to be occupied from within the IL PMA by 75 and older (a)	270	270
Estimated number of age and income qualified households ⁽⁶⁾	9,264	7,162
Less: Existing inventory of available comparable units ⁽⁷⁾	(751)	(751)
Estimated number of age- and income-qualified households (b)	8,513	6,411
Net Market Penetration Rates (a/b)⁽⁸⁾	3.2%	4.3%

Source: Management and Envirionics Analytics

- (1) The 44 Affordable IL Units are not included in the net market penetration rate due to the maximum income requirement of no more than 80 percent of the Westchester County AMI (\$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.) Including the 44 Affordable IL Units, the net market penetration rates would increase to 4.0 percent and 5.4 percent for the \$75,000 and \$100,000 income qualifications, respectively.
- (2) Based on discussions with representatives of the local planning and permitting agencies and interviews with the management at existing retirement communities, 164 additional independent living units are planned in the IL PMA to be opened by 2023.
- (3) Based on Depositor information as of August 31, 2021 for Market Rate IL Units.
- (4) Based on the weighted average occupancy of approximately 77 percent in the IL PMA, 138 additional existing units would need to be filled to achieve 95 percent occupancy at comparable existing communities in the IL PMA.
- (5) Reflects the 530 existing entrance fee units in the IL PMA at 95 percent occupancy and 13.1 percent attrition (66 units) and the 261 existing rental units in the IL PMA at 95 percent occupancy and 22.9 percent attrition (57 units) for a total of 123 units available due to attrition. (Source: State of Seniors Housing, 2012)
- (6) Interpolated using 2021 estimated and 2026 projected population statistics as provided by Envirionics Analytics.
- (7) Reflects the 791 existing independent living units in the IL PMA based on a 95 percent occupancy (751 units).
- (8) Assuming a 70 percent PMA draw, the net market penetration rate for the \$75,000 and \$100,000 income qualifications would increase to 4.5 percent and 6.0 percent, respectively.

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The following table presents the Gross Market Penetration Rate, which represents the percentage of age- and income-qualified households in the IL PMA that the entire market is expected to capture when the entire market has reached stabilized occupancy, assuming annual household incomes of \$75,000 and over and \$100,000 and over based upon the income qualification of communities in the IL PMA and demographic projections for 2021 and 2026.

Table 22
Gross Market Penetration Rate
Age 75 and Above

	Income \$75,000 and Above		Income \$100,000 and Above	
	2021	2026	2021	2026
Market inventory of retirement communities:				
The Community ⁽¹⁾	–	176	–	176
Comparable retirement communities				
Existing units	791	791	791	791
Proposed units	–	637	–	637
Total units in the IL PMA	791	1,604	791	1,604
Percent of units to be occupied from the IL PMA ⁽²⁾	50%	50%	50%	50%
Total units to be occupied from the IL PMA	396	802	396	802
Total units to be filled at 95% occupancy (a)	376	762	376	762
Number of age- and income-eligible households (b)	8,795	9,969	6,723	7,823
Market Penetration Rate (a/b)⁽³⁾	4.3%	7.6%	5.6%	9.7%

Source: Management and Environics Analytics

- (1) The 44 Affordable IL Units are not included in the gross market penetration rate due to the maximum income requirement of no more than 80 percent of the Westchester County AMI (\$71,400 for a single resident and \$81,600 for two residents, as of April 1, 2021.) Including the 44 Affordable IL Units, the gross market penetration rates would increase to 10.0 percent and 12.7 percent for the \$75,000 and \$100,000 income qualifications in 2026, respectively.
- (2) Based upon Depositor information provided by Management as of August 31, 2021 for Market Rate IL Units.
- (3) Assuming a 70 percent PMA draw, the gross market penetration rate for the \$75,000 and \$100,000 income qualifications in would increase to 6.0 percent and 7.8 percent, respectively, in 2021 and 10.7 percent and 13.6 percent, respectively, in 2026.

Marketing the Community

The success of the Community is dependent, in part, on Management's ability to achieve specified pre-sales, fill-up rates and turnover rates for the Independent Living Units. Management began converting priority deposits to Entrance Fee Deposits in May 2019. The financial institution holding the Entrance Fee Deposits is to provide a two percent fixed interest rate on the monies held payable to Depositors.

As of August 31, 2021, 176 Depositors had reserved 176 Independent Living Units (net of cancellations) out of a total of 220 Independent Living Units, or approximately 80 percent of the total Independent Living Units.

The following table presents the total number of Independent Living Units reserved by month reported by Management, as of August 31, 2021.

Table 23
Marketing of the Independent Living Units

Year	Number of Units Reserved	Number of Cancellations/ Refunds	Net Reservations for Month	Cumulative Units Reserved	Cumulative Percentage of Total Units
2019:					
May	12	—	12	12	5.5%
June	6	—	6	18	8.2%
July	2	—	2	20	9.1%
August	4	—	4	24	10.9%
September	7	(1)	6	30	13.6%
October	10	—	10	40	18.2%
November	11	—	11	51	23.2%
December	8	—	8	59	26.8%
2020:					
January	6	—	6	65	29.5%
February	5	—	5	70	31.8%
March	2	—	2	72	32.7%
April	6	—	6	78	35.5%
May	5	—	5	83	37.7%
June	4	(1)	3	86	39.1%
July	6	—	6	92	41.8%
August	5	(1)	4	96	43.6%
September	6	(1)	5	101	45.9%
October	5	—	5	106	48.2%
November	7	(3)	4	110	50.0%
December	17	—	17	127	57.7%
2021:					
January	1	(4)	(3)	124	56.4%
February	4	—	4	128	58.2%
March	5	(1)	4	132	60.0%
April	8	(3)	5	137	62.3%
May	9	(3)	6	143	65.0%
June	8	—	8	151	68.6%
July	11	(1)	10	161	73.2%
August ⁽²⁾	17	(2)	15	176	80.0%
Total⁽³⁾⁽⁴⁾	197	(21)	176	176	80.0%

Source: Management

(1) Conversion of initial interest list to Depositors began in May 2019.

(2) As of August 31, 2021, 176 Depositors have reserved 176 units out of a total of 220 Independent Living Units. The Community has two additional units reserved for a total of 178 units reserved. However, depositors for the two additional units have indicated their intent to cancel their reservation and have been included as canceled Depositors in August 2021 for purposes of the feasibility study.

(3) Thirty-four of the 176 Depositors have reserved an Affordable IL Unit.

See Independent Accountants' Examination Report

The following table presents the total number and type of Independent Living Units available at the Community in relation to the Independent Living Units reserved with an Entrance Fee Deposit as of August 31, 2021.

Table 24
Inventory of Independent Living Units at the Community

Unit Type	Square Footage	Total Units	Number of Units Sold	Percentage of Available Units Sold
Affordable IL Units				
<i>One Bedroom Apartments</i>				
Apawamis	675	44	34	77.3%
Subtotal: Affordable IL Units		44	34	77.3%
Market Rate IL Units				
<i>One Bedroom Apartments</i>				
Biltmore	882	12	12	100.0%
Gedney	1,008	16	16	100.0%
<i>Two Bedroom Apartments</i>				
Greenacres	1,101	16	16	100.0%
Harrison	1,167	24	18	75.0%
Heathcote	1,297	6	6	100.0%
Hudson	1,349	20	15	75.0%
Hutchinson	1,385	24	24	100.0%
Katonah	1,628	8	8	100.0%
Lafayette	1,907	4	4	100.0%
<i>Villas</i>				
Mamaroneck	1,874 – 1,920	12	6	50.0%
Shenorock	1,951 – 1,999	9	1	11.1%
Siwanoy	2,001 – 2,086	11	6	54.5%
Strathglass	2,097 – 2,161	14	10	71.4%
Subtotal: Market Rate IL Units		176	142	80.7%
Total Independent Living Units⁽¹⁾		220	176	80.0%

Source: Management

- (1) As of August 31, 2021, 176 Depositors have reserved 176 units out of a total of 220 Independent Living Units. The Community has two additional units reserved for a total of 178 units reserved. However, depositors for the two additional units have indicated their intent to cancel their reservation and have not been included as Depositors for purposes of the feasibility study.

Independent Depositor Confirmation

An independent confirmation process was performed by DHG through an electronic survey process to the 176 Depositors. As of September 30, 2021, 169 of the 176 Depositors (96 percent) had completed the questionnaire. The following information was compiled for the 169 completed questionnaires.

- 169 (100 percent) of the respondents indicated that they had paid an Entrance Fee Deposit for their Independent Living Unit.
- 162 (96 percent) indicated that they intend to reside at the Community and seven (four percent) indicated that they were unsure whether they would reside at the Community.
- 88 (52 percent) indicated that they expect to reside alone and 81 (48 percent) indicated that they expect to reside with a spouse.
- 156 (92 percent) indicated that they currently own their home. 107 (69 percent) of the 156 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.

Sixteen (10 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. The following table indicates which communities the respondents have placed a deposit as well as the amount of the deposit.

Table 25
Deposits at Other Communities

Community	Location	Number of Respondents	Amount of Deposit			
			Less than \$1,000	\$1,000 to \$2,000	\$10,000 or Greater	Not specified
Kendal on Hudson	Sleepy Hollow	6	—	5	—	1
River View ⁽¹⁾	Bronx	4	—	4	—	—
River's Edge	Bronx	2	—	1	1	—
Club at Briarcliff	Briarcliff Manor	1	—	—	—	1
Woodland Ponds	New Paltz	1	—	—	1	—
The Osborn	Rye	1	—	—	—	1
Out of State	Multiple locations	4	1	2	1	—
Total ⁽¹⁾		19	1	12	3	3

Source: Questionnaire responses

(1) River View is a co-op community.

(2) Three respondents indicated they have deposits at two other communities.

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

Table 26
Payment on Balance of Entrance Fee

	Number of Respondents	Percentage of Respondents
Using proceeds from the sale of home	107	63.3%
Using cash reserves or savings	83	49.1%
Using proceeds from the sale of investments	64	37.9%
Other	13	7.7%

Source: Questionnaire responses

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

Table 27
Move-ins After Unit Becomes Available

	Number of Respondents	Percentage of Respondents
1 – 30 days	63	37.3%
31 – 60 days	34	20.1%
61 – 90 days	17	10.1%
After the sale of home	35	20.7%
Other	20	11.8%
Total	169	100.0%

Source: Questionnaire responses

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

Table 28
Community Suitability

	Number of Respondents⁽¹⁾	Percentage of Respondents
Association with the College	125	74.0%
Social activities	116	68.6%
Proximity to friends and relatives	114	67.5%
Geographic location	100	59.2%
Access to health care	69	40.8%
Other	15	8.9%

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 176 Depositors met Management's criteria. DHG performed the following procedures regarding the 176 Depositors for the Community:

- Confirmed 100 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 Independent Living Unit;
- Confirmed 100 percent that the amount of the Entrance Fee and the Monthly Fee matched the Independent Living Unit selected; and
- Based on reported income and asset levels, confirmed that 100 percent of the Depositors either 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 net worth (including home values) before payment of the Entrance Fee and estimated annual income of the 142 Depositors who reserved a Market Rate IL Unit as of August 31, 2021.

Table 29
Reported Annual Income and Net Worth of Depositors – Market Rate IL

Annual Income	Net Worth					Total	Percent of Total
	Less than \$2,500,000	\$2,500,000 to \$4,999,999	\$5,000,000 to \$7,499,999	\$7,500,000 to \$9,999,999	\$10,000,000 or greater		
Less than \$75,000	16	7	9	–	4	36	25.4%
\$75,000 to \$149,999	14	20	4	1	5	44	30.9%
\$150,000 to \$224,999	3	9	5	3	1	21	14.8%
\$225,000 to \$299,999	–	5	6	2	–	13	9.2%
\$300,000 and greater	3	2	4	6	13	28	19.7%
Total ⁽¹⁾	36	43	28	12	23	142	100.0%
Percent of Total	25.4%	30.3%	19.7%	8.4%	16.2%	100.0%	

Source: Depositor applications

- (1) The median net asset amount of the 142 Depositors of Market Rate IL Units who reported their financial information is approximately \$4,661,000 and the median annual income amount is approximately \$132,000.

The following table presents information regarding the self-reported net worth (including home values) before payment of the Entrance Fee and estimated annual income of the 34 Depositors who reserved an Affordable IL Unit as of August 31, 2021.

Table 30
Reported Annual Income and Net Worth of Depositors – Affordable IL Units

Annual Income	Net Worth				Total	Percent of Total
	Less than \$500,000	\$500,000 to \$999,999	\$1,000,000 to \$1,499,999	\$1,500,000 and greater		
Less than \$35,000	–	4	4	2	10	29.4%
\$35,000 to \$49,999	2	4	1	2	9	26.5%
\$50,000 to \$75,000	3	6	3	3	15	44.1%
Total ⁽¹⁾	5	14	8	7	34	100.0%
Percent of Total	14.7%	41.2%	23.5%	20.6%	100.0%	

Source: Depositor applications

- (1) The median net asset amount of the 34 Depositors of Affordable IL Units who reported their financial information is approximately \$972,000 and the median annual income amount is approximately \$48,000.

Description and Utilization of Assisted Living

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

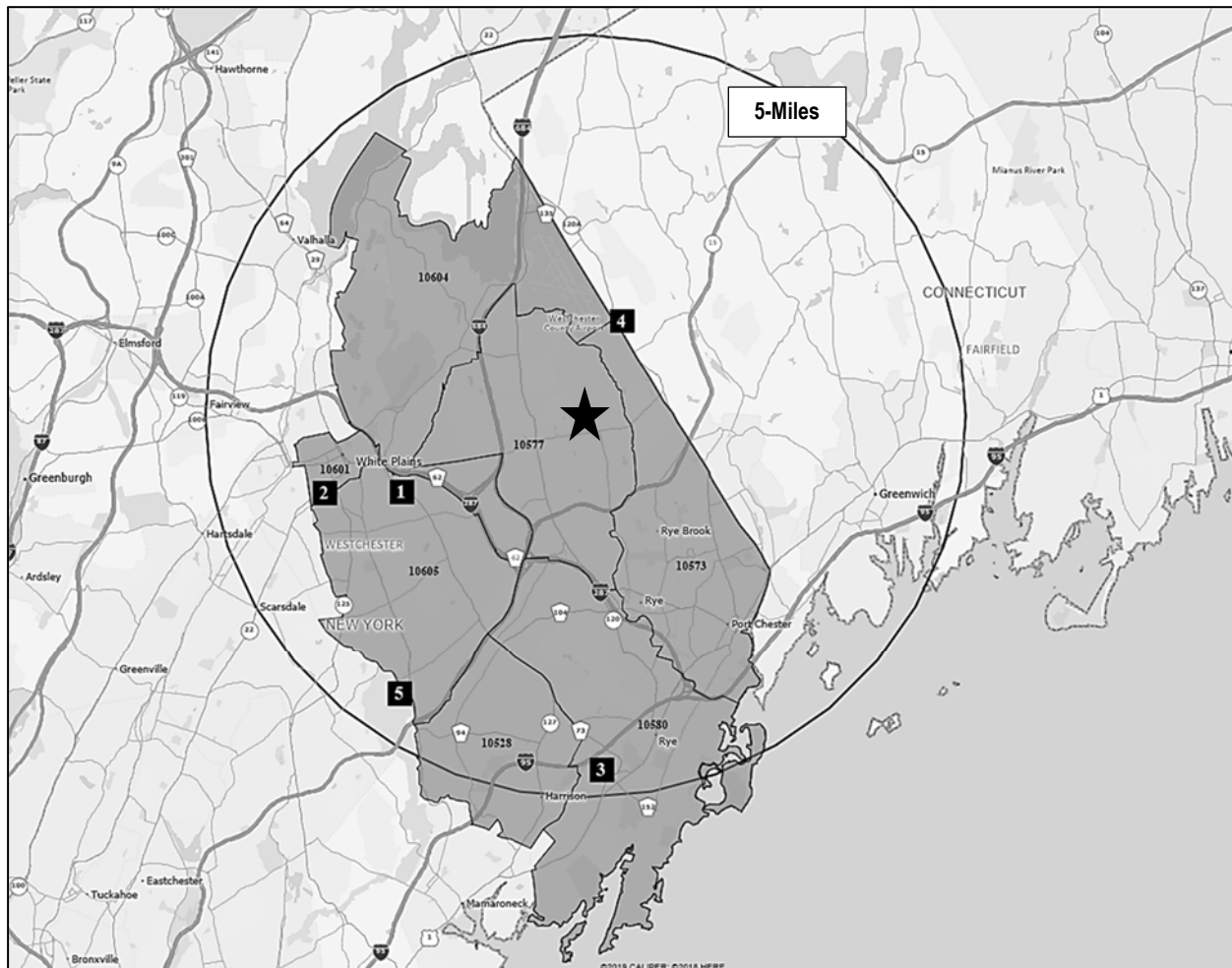
- An Adult Home is established and operated for the purpose of providing long-term care, room, board, housekeeping, personal care and supervision to five or more adults unrelated to the operator.
- An EHP provides the same services as an Adult Home but is required to provide these services primarily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

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

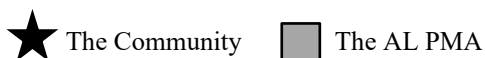
- BALRs are designed to meet the individual’s social and residential needs, while also encouraging and assisting with ADLs.
- EALRs may admit and retain residents who exceed the retention standards of Adult Homes, EHPs, and ALRs, but may not admit residents in need of 24-hour residential health care.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

The primary market area for assisted living services is assumed to be the following seven zip codes surrounding the Community (the “AL PMA”): 10528, 10573, 10577, 10580, 10601, 10604 and 10605.

The following map shows the Community, the AL PMA and the existing assisted living communities within or near the AL PMA.



Legend



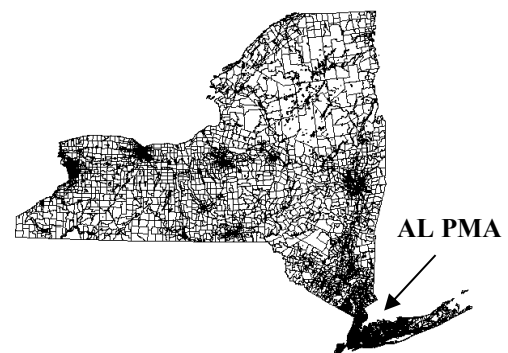
Existing Assisted Living Communities within the AL PMA

- 1 – The Bristol Assisted Living at White Plains
- 2 – Kensington White Plains
- 3 – The Osborn

Existing Assisted Living Communities near the AL PMA

- 4 – The Greens at Greenwich
- 5 – The Ambassador of Scarsdale

New York



Source: Caliper Maptitude and MapInfo

Existing Comparable Assisted Living Facilities

The following table identifies the five comparable existing assisted living facilities located within or near the AL PMA and summarizes the number of units, square footage, occupancy and current monthly fees of the comparable facilities based on surveys conducted through May 2021.

Table 31
Comparable Assisted Living Facilities Within the AL PMA

Facility Name	Miles from the Community	Year Opened	Number of Assisted Living Units	Number of Memory Support Units	Square Footage	Occupancy Percentage	Assisted Living Monthly Fees	Memory Care Monthly Fees	Level of Care Fees
The Community	–	2023	36	32	308 – 492	–	\$12,532	\$14,098	All-inclusive
<i>Within the AL PMA</i>									
The Bristol Assisted Living at White Plains	3.4	2012	115	32	360 – 564	91%	\$5,100 – 9,650	\$9,850	AL: \$730 – 2,829 MC: All-inclusive
Kensington White Plains	4.1	2011	53	34	285 – 606	90%	\$8,037 – 9,494	\$12,960 – 14,827	AL: \$669 – 4,015 MC: 973 – 3,833
The Osborn	6.4	2001/ 2013	97	13	239 – 1,465	75%	\$10,647 – 16,387	\$13,662	All-inclusive
Totals/Weighted Average – AL PMA			265	121		86%			
<i>Near the AL PMA</i>									
The Greens at Greenwich	1.4	1986	–	29	200 – 250	79%	–	\$11,200 – 15,000	All-inclusive
The Ambassador of Scarsdale	5.7	2015	95	20	490 – 781	95%	\$10,000	\$12,000	AL: A la carte MC: All-inclusive

Source: Management, NIC Map® Data Service and surveys conducted by DHG through August 2021.

*Notes to Table:***The Bristol at White Plains**

- (1) A one-time, non-refundable community fee equal to the first month's rent is required upon occupancy.
- (2) The second person monthly fee is \$1,500.
- (3) The assisted living base monthly fee includes up to three and three-quarters of an hour of assistance with activities of daily living weekly. Six levels of care are available in the assisted living units for the following monthly fees: Level I is \$730, Level II is \$1,034, Level III is \$1,369, Level IV is \$1,643, Level V is \$2,129 and Level VI is \$2,829.
- (4) The monthly fee for a companion suite in memory care is \$8,900. Companion suites are not offered in the traditional assisted living units.
- (5) An additional monthly fee of \$760 is required for memory care residents who need EALR services.

Kensington White Plains

- (1) A one-time, non-refundable community fee equal to the first month's base rent is required upon occupancy.
- (2) Memory care is broken into two separate units, "Connections" for those with early to mid-stage memory care loss and "Haven" for those with late-stage memory care loss. The monthly fees reflected in the above table are for Connections. The monthly fees for Haven are \$15,140 to \$16,140 and care fees range from \$973 to \$2,890.
- (3) The monthly fee for a companion suite in assisted living, the Connections unit and the Haven unit is \$7,500, \$9,278 to \$12,060 and \$11,945 to \$14,085, respectively.
- (4) Two levels of medication management are offered in assisted living for the following monthly fees: Level I is \$973 and Level II is \$1,126.

*Notes to Table: (continued)***The Osborn**

- (1) The memory care units were completed in 2013.
- (2) The 97 assisted living units can be utilized as independent or assisted living units. Monthly fees for independent living residents in the assisted living units ranges from \$5,945 to \$12,320.

The Greens at Greenwich

- (1) The monthly fee for a companion suite is \$8,600. Companion suites have a private bedroom with a shared bathroom.
- (2) Due to its location on the border of the AL PMA, 50 percent of the assisted living units at The Greens at Greenwich have been included in the following assisted living penetration rate analysis.

The Ambassador of Scarsdale

- (1) The Ambassador of Scarsdale is planning to construct a small one-story addition for six additional units. The project is currently seeking approvals from Scarsdale Village. At this time, no construction timelines have been determined. Due to its location outside of the AL PMA and limited number additional units, proposed project units at Ambassador of Scarsdale have been disclosed for informational purposes only and are not included in the following assisted living penetration rate analysis.
- (2) Due to its location on the border of the AL PMA, 50 percent of the existing assisted living units at The Ambassador of Scarsdale have been included in the following assisted living penetration rate analysis.

Planned Assisted Living Developments in the AL PMA

Based on discussions with representatives of the local planning agencies and interviews with existing assisted living facilities and retirement communities, in addition to the Community, three new assisted living and/or memory care communities are planned in the AL PMA.

900 King Street

George Comfort and Sons has submitted plans to the Village of Rye Brook to develop 126 independent living apartments, 20 independent living townhomes and 85 assisted living units. Site plans for the project were submitted to the Village of Rye Brook in February 2021 and are on the Village of Rye Brook Planning Board agenda for the June 2021 meeting. See “*Comparable Retirement Communities Planned or Under Development in or near the IL PMA*” section of this report for further information.

Brightview Senior Living – West Harrison

Brightview Senior Living Development, LLC is developing a proposed rental independent living, assisted living and memory care community expected to consist of 74 independent living units, 49 assisted living units and 25 memory care units. The project received approval in March 2017 and construction is expected to begin in July 2021. Pricing information is not available at this time. See “*Comparable Retirement Communities Planned or Under Development in or near the IL PMA*” section of this report for further information.

52 North Broadway

WP Development NB, LLC is developing a proposed residential campus to include 232 rental independent living units and 103 assisted living units (116 beds) as well as 28 multi-family townhomes and 48 workforce apartments. The project is pending site plan approval by the White Plains Common Council Planning Board and review by the White Plains Historic Preservation Commission. See “*Comparable Retirement Communities Planned or Under Development in or near the IL PMA*” section of this report for further information.

See Independent Accountants’ Examination Report

The Osborn

The Osborn is contemplating an expansion to the campus in over the next 10 to 15 years that would include the phased replacement of 20 existing duplex cottages with construction of 80 independent living units, the construction of a new independent living support building, and the construction of a new 50 unit assisted living building. Due to project uncertainty, the proposed project units have been disclosed for informational purposes only and not been included in the following assisted living penetration rate analysis. See “*Comparable Retirement Communities Planned or Under Development in or near the IL PMA*” section of this report for further information.

Assisted Living Penetration Analysis

Income characteristics have been applied to determine a range of market penetration rates for age qualified and age- and income-qualified individuals. The income qualification is determined, in part, by Management’s assumption that potential residents with lower income levels will utilize alternative sources of income from family members as well as the “spend down” or proceeds from an asset base to pay for the cost of their care.

DHG typically considers seniors age 75 and older with annual income \$35,000 and higher and homeowners earning between \$25,000 and \$34,999 to be age- and income-qualified for the purpose of calculating assisted living penetration rates.

The following table presents the 2021 estimated and 2026 projected household income distribution for householders 75 and older in the AL PMA for the \$35,000 Income Qualification.

Table 32			
Income Eligible Households for Assisted Living Services within the AL PMA			
		75+	
		2021 (Estimated)	2026 (Projected)
Total Households:		6,122	6,289
<u>Household Income</u>			
Under \$25,000		1,743	1,639
Renters \$25,000 – \$34,999		261	265
Homeowners \$25,000 – \$34,999		382	386
Total Under \$35,000		2,386	2,290
\$35,000 – \$49,999		630	631
\$50,000 – \$74,999		752	730
\$75,000 – \$99,999		614	620
\$100,000+		1,740	2,018
Total \$35,000+		3,736	3,999
Total Assisted Living Income Eligible Households⁽¹⁾		4,118	4,385
Percentage of Assisted Living Income Eligible Households		67.3%	69.7%

Source: Environics Analytics

(1) Age and income eligible households include households (age 75 and over) with income over \$35,000 and homeowners (age 75 and over) with income between \$25,000 and \$34,999 annually.

The following table compares the percentage of assisted living age- and income-qualified households (age 75 and older with annual income of \$35,000 or greater and homeowners with annual incomes between \$25,000 and \$34,999) to total households age 75 and older within the AL PMA, New York and the United States.

Table 33			
Comparison of Assisted Living Age- and Income-Qualified Households			
2021 and 2026			
Percentage of Age- and Income-Qualified Households to Total Households	AL PMA	New York	United States
Year 2021	67.3%	51.7%	53.2%
Year 2026	69.7%	54.9%	56.5%

Source: Environics Analytics

Assisted Living Penetration Analysis

The increased size of the private paying frail elderly market has in recent years attracted providers to develop new and creative options for caring for this population. There have been few barriers to entering this market, since existing regulations generally do not restrict or limit supply. Methodologies for projecting bed need or demand for assisted living vary. The Department does not have a methodology for determining the need for assisted living units.

Research studies have identified impairment levels in activities of daily living (“ADL”) such as dressing, bathing, eating, toileting, mobility and taking medications, and instrumental activities of daily living (“IADL”) such as meal preparation, home maintenance, shopping and personal finance, all of which generally are used to measure levels of functioning and estimate the care needs of a specific population. The decision by elderly persons to enter an assisted living facility to meet their need for assistance often depends on alternatives available and is somewhat more discretionary than the decision to enter a nursing care facility, according to industry research studies.

Population data and income statistics may be utilized to some extent to estimate the number of qualified households (75+) for assisted living services, yet should not be relied upon entirely as a measure of success for a facility. The amount of cross subsidization that occurs between adult caregivers (assumed to be those households aged 45 to 64 earning in excess of \$75,000 annually) and their relatives may provide the financial means for a non-income-qualified senior to afford this level of care. Additionally, non-income-qualified seniors may have an asset base that would provide the financial means to afford this level of care.

The following table estimates the number of age- and income-qualified individuals living alone and requiring assistance with ADLs in the AL PMA. Estimates of the percentage of households requiring assistance and the percentage living alone are based on the 2010 Census.

Table 34			
Estimated Number of Age 75+ Assisted Living Eligible Individuals in the AL PMA			
Years 2021, 2023 and 2026			
	2021	2023	2026
Estimated Age–Eligible Households ⁽¹⁾⁽²⁾	6,122	6,189	6,289
Estimated Age– and Income–Qualified Households ⁽¹⁾⁽³⁾	4,118	4,224	4,385
Percentage Requiring Assistance ⁽⁴⁾	25.2%	25.2%	25.2%
Percentage Living Alone ⁽⁵⁾	53.0%	53.0%	53.0%
Estimated Number of Age–Eligible Individuals⁽¹⁾⁽²⁾	818	827	840
Estimated Number of Age– and Income–Qualified Individuals⁽¹⁾⁽³⁾	550	564	586

Source: Environics Analytics

(1) Based on 2021 estimated and 2026 projected population statistics as provided by Environics Analytics.

(2) Age eligible includes age 75 and over.

(3) \$35,000 Income Qualification includes households with annual incomes of \$35,000 and over and homeowners with income between \$25,000 and \$34,999 annually.

(4) Percentage requiring assistance is a weighted average of the percentage of the population requiring assistance with activities of daily living as determined by the U.S. Census Bureau (Source: U.S. Census Bureau, Americans with Disabilities: 2010. p.5, Washington, DC, July 2012) and the age- and income-qualified households within the AL PMA.

(5) Based on Environics Analytics demographic estimates.

See Independent Accountants’ Examination Report

Assisted Living Project Penetration Rate

The Project Penetration Rate is the percentage of estimated age- and income-qualified households within the AL PMA that need to move into the Assisted Living Units in order to achieve expected occupancy levels. The following table presents project penetration rates for assisted living services.

Table 35
Assisted Living Project Penetration Rate – 2023

	Age- Qualified Individuals	\$35,000 Income Qualification
Number of Qualified Individuals	827	564
Number of Individuals in Existing Comparable Units ⁽¹⁾	462	462
Total Qualified Individuals (b)	1,289	1,026
Number of Assisted Living Units at the Community^{(2)(a)}	38	38
Project Penetration Rates for the AL PMA (a/b)	2.9%	3.7%

Source: Management and EnviroNics Analytics

- (1) Reflects 417 existing assisted living and memory care units (which includes 50 percent of the total assisted living and memory care units at The Greens at Greenwich and The Ambassador of Scarsdale) and 74 planned assisted living and memory care units at Brightview West Harrison assuming an assumed occupancy rate of 94 percent (462 units). The total number of planned units excludes 900 King Street (85 assisted living units) and 52 North Broadway (103 assisted living units) due to anticipated opening dates beyond 2023.
- (2) Reflects the 36 Assisted Living Units and 32 Memory Care Units assuming 60 percent originate from the AL PMA and assuming 94 percent occupancy (38 units).

Assisted Living Market Penetration Rate

The assisted living market penetration rate is presented as the percentage of age- and income-qualified individuals that the total market has absorbed or must absorb for the entire market to achieve stabilized occupancy. The assisted living market penetration rate is calculated by dividing the total number of assisted living units within the AL PMA by the total number of age- and income-qualified individuals residing within the AL PMA.

The following table presents market penetration rates for assisted living services.

Table 36
Assisted Living Market Penetration Rates

	Age-Qualified Individuals		\$35,000 Income Qualification	
	2021	2026	2021	2026
Number of Qualified Individuals	818	840	550	586
Number of Individuals in Existing Comparable Units ⁽¹⁾	235	235	235	235
Total Qualified Individuals (b)	1,053	1,075	785	821
Number of Individuals in Existing Comparable Units ⁽¹⁾	235	235	235	235
Number of Planned Assisted Living Units and Memory Care Units ⁽²⁾	—	148	—	148
Number of Planned Assisted Living Units at the Community ⁽³⁾	—	38	—	38
Total Units, Including the Community (a)	235	421	235	421
Market Penetration Rate for the AL PMA (a/b)	22.3%	39.2%	29.9%	51.3%

Source: Management and Environics Analytics

- (1) Reflects 417 existing assisted living and memory care units (which includes 50 percent of the total assisted living and memory care units at The Greens at Greenwich and The Ambassador of Scarsdale) in the AL PMA assuming that approximately 60 percent have originated from the AL PMA and an assumed occupancy rate of 94 percent (235 units).
- (2) In addition to the Assisted Living Units, reflects 262 additional assisted living and memory care units planned in the AL PMA, assuming 60 percent originated from the AL PMA and assuming 94 percent occupancy (148 units).
- (3) Reflects the 36 Assisted Living Units and 32 Memory Care Units assuming 60 percent originate from the AL PMA and assuming 94 percent occupancy (38 units).

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) Deferred Financing Costs

Financing costs associated with the issuance of the proposed Series 2021 Bonds are assumed to be capitalized and amortized using the straight-line method over the term of the related debt. Management has implemented ASU No. 2015-03 “Interest – Imputation of Interest” and simplified the presentation of debt issuance costs. Under the new standard, the debt issuance costs are netted against the related debt on the forecasted statements of financial position and the amortization is included in interest expense on the forecasted statement of operations.

(c) Property, Equipment and Depreciation Expense

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

(d) Assets Limited as to Use

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

(e) Investment Income

Investment income, other than that capitalized as part of Community costs, is reported as operating revenue unless restricted by donor or law. Management has not forecasted any unrealized gains or losses on investments.

(f) Costs of Borrowing

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

(g) Deferred Revenue from Entrance Fees

The non-refundable portion of Entrance 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.

(h) Refundable Entrance Fees

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

(i) 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.

(j) Tax-Exempt Status

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

(k) Leases

The FASB issued ASU No. 2016-02, Lease Accounting Standard in February 2016. ASU 2016-02 which requires all leases with lease terms over twelve months to be capitalized as a right-of-use asset and lease liability on the forecasted statement of financial position at the date of lease commencement. Leases are to be classified as either finance or operating. This distinction is relevant for the pattern of expense recognition in the forecasted statement of operations. The provisions of ASU No. 2016-02 are effective for the purpose of Management's forecast.

(l) Restricted Cash

The FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end of period total amounts shown on the statement of cash flows.

Summary of Revenue and Entrance Fee Assumptions*Independent Living Revenue*

Independent living monthly service fee revenue is based upon charges for services provided to Residents of the Independent Living Units and upon the assumed occupancy and the Monthly Fees of the respective units. Management assumes the Independent Living Units Monthly Fees are to increase 5.0 percent on July 1, 2022 and 3.0 percent beginning July 1, 2023 and annually thereafter.

The Independent Living Units are assumed to achieve and maintain a 95.0 percent occupancy level by February 2026 and remain at that level throughout the forecast period. The following table summarizes the assumed occupancy of the Independent Living Units.

Table 38
Utilization of Independent Living Units

Years Ended June 30,	Market Rate Units			Affordable Units			Total Independent Living Units Occupancy	
	Average Units Occupied	Average Units Available	Average Occupancy	Average Units Occupied	Average Units Available	Average Occupancy		
Forecasted								
2024 ⁽¹⁾	69.0	176.0	39.2%	17.2	44.0	39.1%	86.2	39.2%
2025	144.1	176.0	81.9%	36.0	44.0	81.8%	180.1	81.9%
2026	164.9	176.0	93.7%	41.2	44.0	93.6%	206.1	93.7%
2027	167.2	176.0	95.0%	41.8	44.0	95.0%	209.0	95.0%

Source: Management

(1) The Independent Living Units are to be available for occupancy in July 2023 and fill to a 95.0 percent occupancy level over a 32-month period at an average of approximately 6.5 units per month.

The double occupancy percentage in the Independent Living Market Rate Units is assumed to be 54.5 percent of occupied units in fiscal year 2024, declining to 42.8 percent in fiscal year 2027, as provided by the Corporation's actuary, Continuing Care Actuaries (the "Actuary"). The double occupancy percentage in the Independent Living Affordable Units is assumed to be 7.7 percent of occupied units in fiscal year 2024, declining to 6.7 percent in fiscal 2027, as provided by the Actuary.

Residents are assumed to begin moving into the Independent Living Units in July 2023. The following table summarizes the assumed move-in pattern for the Independent Living Units.

Table 37
Monthly Move-in Pattern (Net of Move-Outs)
Independent Living Units

Fiscal Year/Month	Monthly Total	Cumulative Total	Cumulative Percentage ⁽¹⁾
FY 2024			
July 2023	20.0	20.0	9.1%
August 2023	18.0	38.0	17.3%
September 2023	16.0	54.0	24.5%
October 2023	14.0	68.0	30.9%
November 2023	13.0	81.0	36.8%
December 2023	11.0	92.0	41.8%
January 2024	10.0	102.0	46.4%
February 2024	10.0	112.0	50.9%
March 2024	10.0	122.0	55.5%
April 2024	9.0	131.0	59.5%
May 2024	9.0	140.0	63.6%
June 2024	9.0	149.0	67.7%
FY 2025			
July 2024	8.0	157.0	71.4%
August 2024	7.0	164.0	74.5%
September 2024	6.0	170.0	77.3%
October 2024	5.0	175.0	79.5%
November 2024	4.0	179.0	81.4%
December 2024	4.0	183.0	83.2%
January 2025	3.0	186.0	84.5%
February 2025	3.0	189.0	85.9%
March 2025	3.0	192.0	87.3%
April 2025	3.0	195.0	88.6%
May 2025	2.0	197.0	89.5%
June 2025	2.0	199.0	90.5%
FY 2026			
July 2025	2.0	201.0	91.4%
August 2025	2.0	203.0	92.3%
September 2025	1.0	204.0	92.7%
October 2025	1.0	205.0	93.2%
November 2025	1.0	206.0	93.6%
December 2025	1.0	207.0	94.1%
January 2026	1.0	208.0	94.5%
February 2026	1.0	209.0	95.0%
Total	209.0		95.0%

Source: Management

(1) Cumulative occupancy based on 220 Independent Living Units.

Assumed Independent Living Turnover

The assumed turnover for the Independent Living Units due to death, withdrawal or transfer to the Assisted Living Units has been based, in part, on the report of the Actuary.

Refunds of Entrance Fees are generated upon death or termination of the Residency Agreement. The Entrance Fee is to be refunded to the Resident (without interest and less applicable fees) upon the earlier of (1) 30 days following re-occupancy of the residence by a new resident and receipt of the total Entrance Fee paid by such new resident, or (2) twenty-four months from the termination of the Residency Agreement. 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 Assisted Living Units. The assumed number of refunds for the Independent Living Units is provided by the Actuary.

The following table presents the assumed initial and attrition Entrance Fees received and the total Entrance Fee refunds.

Table 38 Initial and Turnover Entrance Fee Receipts and Total Entrance Fee Refunds (In thousands)						
	2022	2023	For the Year Ending June 30,			
			2024	2025	2026	2027
Number of Entrance Fees Received (Initial)	–	–	149.0	50.0	10.0	–
Entrance Fees Received (Initial)	\$ –	–	\$156,172	\$53,561	\$11,506	\$ –
Number of Entrance Fees Received (Attrition)	–	–	2.1	7.0	11.2	13.7
Entrance Fees Received (Attrition)	\$ –	–	\$2,072	\$7,100	\$12,398	\$16,876
Entrance Fees Refunded	\$ –	–	(\$1,357)	(\$4,338)	(\$7,088)	(\$9,108)
Entrance Fees Received, Net of Refunds	\$ –	-	\$156,887	\$56,323	\$16,816	\$7,768

Source: Management and the Actuary

Assisted Living Services Revenue

Assisted Living Units Monthly Fees are based on the assumed occupancy of the units and are generated from services provided to Residents transferring from the Independent Living Units, as well as direct admissions from the local surrounding area. Management assumes the Assisted Living Units Monthly Fees are to increase 3.0 percent beginning July 1, 2022 and annually thereafter.

The Assisted Living Units are assumed to achieve and maintain approximately 94.4 percent occupancy level beginning in June 2025 and remain at those levels throughout the forecast period.

The following table summarizes the assumed utilization of the Assisted Living Units.

Table 41
Utilization of the Assisted Living Units

Years Ended June 30,	Average Units Occupied			Avg. Units Available	Average Occupancy
	Internal Transfers ⁽²⁾	Private Pay	Total		
Forecasted					
2024 ⁽¹⁾	0.4	2.3	2.7	36.0	7.5%
2025	2.0	21.3	23.3	36.0	64.7%
2026	4.8	29.2	34.0	36.0	94.4%
2027	8.0	26.0	34.0	36.0	94.4%

Source: Management and the Actuary

(1) The Assisted Living Units are assumed to be available for occupancy in December 2023 and fill to stabilized occupancy of 94.4 percent over a 19-month period at an average of approximately 1.8 units per month.

(2) The number of Residents permanently transferring to the Assisted Living Units have been provided by the Actuary.

Memory Support Services Revenue

Memory Care Units Monthly Fees are based on the assumed occupancy of the units and are generated from services provided to Residents transferring from the Independent Living Units, the Assisted Living Units, as well as direct admissions from the local surrounding area. Management assumes the Memory Care Units Monthly Fees are to increase 3.0 percent beginning July 1, 2022 and annually thereafter.

The Memory Care Units are assumed to achieve and maintain a 93.8 percent occupancy level in June 2025 and remain at that level throughout the forecast period.

The following table summarizes the assumed utilization of the Memory Care Units by payor type.

Table 39					
Utilization of the Memory Care Units					
Years Ended June 30,	Average Units Occupied			Avg. Units Available	Average Occupancy
	Internal Transfers ⁽²⁾	Private Pay	Total		
Forecasted					
2024 ⁽¹⁾	0.3	2.1	2.4	32.0	7.5%
2025	1.7	18.4	20.1	32.0	62.8%
2026	4.3	25.7	30.0	32.0	93.8%
2027	7.1	22.9	30.0	32.0	93.8%

Source: Management and the Actuary

(1) The Memory Care Units are assumed to be available for occupancy in December 2023 and fill to stabilized occupancy of 93.8 percent over a 19-month period at an average of approximately 1.6 units per month.

(2) The number of Residents permanently transferring to the Memory Care Units have been provided by the Actuary.

Residents are assumed to begin moving into the Assisted Living Units in December 2023. The following table summarizes the assumed move-in pattern for the Assisted Living Units.

Table 40
Monthly Move-in Pattern (Net of Move Outs)
Assisted Living Units

Fiscal Year/Month	<u>Assisted Living Units</u> <u>Move-in Schedule</u>			<u>Memory Care Units</u> <u>Move-in Schedule</u>		
	Monthly Unit Total	Cumulative Total	Cumulative Occupancy ⁽¹⁾	Monthly Unit Total	Cumulative Total	Cumulative Occupancy ⁽¹⁾
FY 2024						
December 2023	1.5	1.5	4.2%	1.1	1.1	3.4%
January 2024	1.0	2.5	6.9%	1.0	2.1	6.6%
February 2024	1.0	3.5	9.7%	1.0	3.1	9.7%
March 2024	1.5	5.0	13.9%	1.5	4.6	14.4%
April 2024	1.5	6.5	18.1%	1.5	6.1	19.1%
May 2024	1.5	8.0	22.2%	1.5	7.6	23.8%
June 2024	1.5	9.5	26.4%	1.5	9.1	28.4%
FY 2025						
July 2024	2.5	12.0	33.3%	2.0	12.8	34.7%
August 2024	2.5	14.5	40.3%	2.0	14.8	40.9%
September 2024	2.5	17.0	47.2%	2.5	16.8	48.8%
October 2024	2.5	19.5	54.2%	2.0	18.8	55.0%
November 2024	2.5	22.0	61.1%	2.0	20.8	61.3%
December 2024	2.0	24.0	66.7%	1.5	22.3	65.9%
January 2025	2.2	26.2	72.9%	1.0	23.8	69.1%
February 2025	2.0	28.2	78.5%	1.0	25.3	72.2%
March 2025	1.8	30.0	83.3%	1.9	26.3	78.1%
April 2025	1.5	31.5	87.5%	1.0	27.3	81.3%
May 2025	1.5	33.0	91.7%	2.0	28.0	87.5%
June 2025	1.0	34.0	94.4%	2.0	30.0	93.8%
Total	34.0			30.0		

Source: Management

(1) Cumulative occupancy based on 36 Assisted Living Units and 32 Memory Care Units.

Investment Income

Management assumes an average annual rate of return of 1.00 percent annually on the Corporation's cash and cash equivalents, unrestricted investments, Working Capital Fund, the Liquidity Support Agreement Fund, and the Entrance Fee Fund. Based upon information provided by the Underwriter, Management has assumed average annual rates of return of 0.46 percent on the Project Fund and the Funded Interest Funds, and a range of 0.46 percent to 1.99 percent on the Debt Service Reserve Funds associated with the Series 2021 Bonds.

Other Revenue

Other revenue is generated 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 annually throughout the forecast period.

Summary of Expense Assumptions

Operating expenses are estimated based upon the historical experience of Management. Staff salaries and wages are based on its historical experience and prevailing local salary and wage rates. Salary and wage costs are assumed to increase 3.0 percent annually throughout the forecast period. The cost of employee fringe benefits, consisting primarily of payroll taxes, health insurance and other costs are assumed to approximate 28.5 percent of salaries and wages throughout the forecast period.

The following table summarizes the staffing levels during the forecast period for all departments.

Table 41
Schedule of Staffing Levels (FTE's) – Fiscal Year 2027

Department	Total
General and administrative	12.2
Resident services	16.1
Assisted living	23.3
Memory care	19.7
Plant	16.2
Food and beverage	60.0
Environmental services	24.5
Total FTE's	172.0

Source: Management

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, Management Fees, utilities, supplies, maintenance, real estate taxes, building and general liability insurance, legal and accounting fees and other miscellaneous expenses. The cost of these non-salary operating expenses is assumed to increase 3.0 percent annually throughout the forecast period.

Assets Limited as to Use

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

- (1) Bond Fund – Series 2021 Bonds, contain the bond principal and interest payments to be used for payment of debt service on the Series 2021 Bonds debt service.
- (2) Project Fund, gross funded at closing from a portion of the Series 2021 Bonds proceeds, to be used to pay for a portion of construction and related costs for the Community.
- (3) Funded Interest Funds, net funded from the Series 2021 Bonds proceeds, is to be used to fund interest related to the Series 2021 Bonds for approximately 26 months after issuance.
- (4) Debt Service Reserve Funds – Series 2021 Bonds are assumed to be funded with proceeds to be received from the closing of the Series 2021 Bonds of approximately \$18,569,000. The Series 2021 Debt Service Reserve Funds associated with each series of the Series 2021 Bonds is assumed to be released and available to pay debt service in the year that the respective series of the Series 2021 Bonds are repaid in full.
- (5) Entrance Fee Fund, to be funded with initial Entrance Fees from the Community, available to: pay Entrance Fee refunds; fund the Working Capital Fund, fund Series 2021B/C/D Bonds principal payments and fund Series 2021E Bond principal payments.
- (6) Working Capital Fund, to be initially funded with approximately \$10,000,000 of initial Entrance Fees received to be applied to pay operating expenses for the Community. Upon the repayment of the Series 2021B/C/D Bonds and the Series 2021E Bonds, stabilized occupancy of the Community, and assuming no events of default have occurred, any amounts remaining on deposit in the Working Capital Fund shall be released.

Property and Equipment and Depreciation Expense

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

The Corporation's property and equipment costs, net of accumulated depreciation, during the forecast period are summarized in the table below.

Table 42
Schedule of Property and Equipment
(In Thousands)

Years Ending June 30,	2022	2023	2024	2025	2026	2027
Property and equipment, gross Beginning balance	\$12,568	\$108,066	\$296,803	\$345,780	\$348,165	\$348,383
Project Costs	84,516	174,448	48,977	2,385	17	-
Capitalized interest	10,982	14,289	-	-	-	-
Routine capital additions	-	-	-	-	201	805
Property and equipment, gross	108,066	296,803	345,780	348,165	348,383	349,188
Accumulated depreciation	-	-	(8,639)	(17,338)	(26,057)	(34,877)
Property and equipment, net ending balance	\$108,066	\$296,803	\$337,141	\$330,827	\$322,326	\$314,311

Source: Management and the Development Consultant

Subordinate Ground Sublease Asset and Liability

The Subordinate Ground Sublease is assumed to include an approximate \$53,424,000 present value of lease payments due over a 75-year assumed lease term, discounted at 5.00 percent ("Present Value"). Management assumes that the lease asset is initially recorded at the Present Value of the Subordinate Ground Sublease and amortized over on a straight-line basis from the Subordinate Ground Sublease commencement date to the end of the lease term. Management assumes that the lease liability is initially recorded at the Present Value of the Subordinate Ground Sublease and further reduced by the assumed principal payments associated with the Subordinate Ground Sublease.

Long-Term Debt and Interest Expense

Series 2018 BANS

On October 1, 2018, Westchester County Local Development Corporation issued bond anticipation notes in the amount of \$15,000,000 to the Trustee. The proceeds of the Series 2018 BANS were loaned to the Corporation pursuant to a loan agreement for the purpose of providing funds to be used, along with an equity contribution from PCFHC of approximately \$5,000,000, to (a) finance and/or refinance the pre-development activities and construction, and (b) pay certain expenses incurred in connection with the authorization and issuance of the Series 2018 BANS.

Interest payments on the Series 2018 BANS accrue and compound semi-annually and are payable upon maturity or earlier redemption, assuming the Series 2018 BANS are repaid during the fiscal year ending June 30, 2022 rather than its October 1, 2023 stated maturity. Principal and accrued interest on the Series 2018 BANS are to be repaid with proceeds from the issuance of the Series 2021 Bonds.

See Independent Accountants' Examination Report

Series 2021 Bonds

During the forecast period, the Corporation intends to cause the issuance of the Series 2021 Bonds to fund Project costs and repay the principal on the Series 2018 BANs along with associated interest. The Series 2021 Bonds are to consist of:

- \$213,805,000 of non-rated tax-exempt fixed rate Series 2021A Bonds;
- \$171,775,000 of non-rated tax-exempt fixed rate Series 2021B/C/D Bonds; and,
- \$6,665,000 of non-rated taxable fixed rate EFPRB Series 2021E Bonds.

The Series 2021A Bonds are assumed to consist of \$213,805,000 non-rated tax-exempt fixed rate term bonds, assumed to be issued at an original issue premium, with an assumed coupon rate of 5.00 percent per annum and yield ranging from 3.875 to 4.375 percent per annum. Interest on the Series 2021A Bonds is to be payable January 1 and July 1 of each year beginning July 1, 2022. Principal on the Series 2021A Bonds is to be paid annually commencing July 1, 2027 with a final maturity on July 1, 2056.

The Series 2021B/C/D Bonds are assumed to consist of \$171,775,000 of non-rated tax-exempt fixed rate bonds with assumed coupon rates ranging from 2.50 to 3.25 percent per annum. Interest on the Series 2021B/C/D Bonds is to be payable January 1, April 1, July 1, and October 1 of each year beginning July 1, 2022. The Series 2021B/C/D Bonds consist of:

- \$23,520,000 of non-rated, non-taxable fixed rate Series 2021B Bonds anticipated to be redeemed in full by approximate 85 percent initial occupancy of the Independent Living Units by July 1, 2025,
- \$58,730,000 of non-rated, non-taxable fixed rate Series 2021C Bonds anticipated to be redeemed in full by approximately 75 percent initial occupancy of the Independent Living Units by January 1, 2025, and,
- \$89,525,000 of non-rated, non-taxable fixed rate Series 2021D Bonds anticipated to be redeemed in full by approximately 50 percent initial occupancy of the Independent Living Units by July 1, 2024.

The Series 2021E Bonds are assumed to consist of \$6,665,000 of non-rated taxable bonds with an assumed coupon rate of 2.50 percent per annum. Interest on the Series 2021E Bonds is to be payable January 1, April 1, July 1 and October 1 of each year beginning July 1, 2022. The Series 2021E Bonds are anticipated to be redeemed in full by approximately 12 percent initial occupancy of the Independent Living Units by January 1, 2024.

The following table presents the forecasted annual debt service during the forecast period and thereafter.

Table 43
Schedule of Annual Debt Service
(in thousands of dollars)

Year Ending June 30,	Series 2018 BANs		Series 2021A Bonds		Series 2021B/C/D/E Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$15,000	\$ 5,387	\$ -	\$ -	\$ -	\$ -	\$20,387
2023	-	-	-	12,531	-	7,117	19,648
2024	-	-	-	10,690	85,510	4,686	100,886
2025	-	-	-	10,690	83,790	1,671	96,151
2026	-	-	-	10,690	9,140	90	19,920
2027	-	-	-	10,690	-	-	10,690
Thereafter	-	-	213,805	206,480	-	-	420,285
Total	\$15,000	\$ 5,387	\$ 213,805	\$261,771	\$178,440	\$13,564	\$687,967

Source: Management and the Underwriter

Current Assets and Current Liabilities

Operating expenses exclude amortization, depreciation, other non-cash expenses and interest expense. Operating revenues include Monthly Fees. Working capital components have been estimated based on industry standards and Management's historical experience as follows:

Table 44
Working Capital – Days on Hand

Accounts receivable	15	days operating revenues
Prepaid expenses and other assets	5	day operating expenses
Inventory	1	day operating expenses
Accounts payable	30	days operating expenses
Accrued expenses	15	days operating expenses

Source: Management



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INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Purchase Senior Learning Community Inc.
Purchase, New York

Our examination of the financial forecast presented in the preceding section of this document was made for the purpose of forming an opinion on whether the financial forecast is presented in conformity with AICPA guidelines for the presentation of a forecast and that the underlying assumptions provide a reasonable basis for the forecast. The study was undertaken to evaluate the Corporation's ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements 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 its ability to meet debt service requirements. These factors include, among others, legislation and regulatory action, changes in assumptions concerning occupancy, the rate of entrance fee producing unit turnover, per diem rates, financing, and operating costs.

The accompanying supplemental analysis is presented for purposes of 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.

Dixon Hughes Goodman LLP

Atlanta, Georgia
October 1, 2021

Supplemental Information

Sensitivity Analysis I – Occupancy

Occupancy rates can vary depending upon economic conditions, the competitive environment and Management's ability to execute the marketing and sales plan. Residents are to begin moving into the Independent Living Units in July 2023 and the Assisted Living Units in December 2023. Management expects the Assisted Living Units to achieve and maintain a 94.0 percent occupancy level by June 2025 and the Independent Living Units to achieve and maintain a 95.0 percent occupancy level by November 2025.

Sensitivity Analysis IA

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 Independent Living Units from 32 months to 48 months.

Sensitivity Analysis IB

The data presented in the table below provides a "Breakeven Analysis" assuming a proportionally lower stabilized occupancy of the Independent Living Units such that a 1.00x Maximum Annual Debt Service Coverage Ratio or zero Days Cash on Hand is achieved in fiscal year 2027. In the Sensitivity IB Breakeven Analysis, the Independent Living Units stabilized occupancy was reduced to "Breakeven" while occupancy in the Assisted Living Units remained as originally forecasted. For purposes of this analysis, certain fixed operating expenses, staffing expenses and forecasted repayment of the Series 2021 Bonds have not been adjusted for reductions of the occupancy of the Independent Living Units.

Table 45
Sensitivity Analysis – I
Estimated Financial Information
For the Year Ending June 30, 2027

	As Forecasted	Sensitivity IA ⁽¹⁾⁽²⁾	Sensitivity IB ⁽¹⁾
<i>Independent Living Units:</i>			
Months of Move-in Period	32 months	48 months	32 months
Stable Occupancy Achieved	February 2026	June 2027	February 2026
Occupancy at June 30, 2027	95.0%	95.0%	82.6%
Average Move-ins per Month	6.5	4.4	4.5
Max. Annual Debt Service Coverage Ratio	1.37x	1.22x	1.10x
Days Cash on Hand	410	373	-

Source: Management

- (1) For purposes of the sensitivity analysis, occupancy of the Independent Living Units were modified without a corresponding adjustment to certain fixed operating expenses, staffing expenses or repayment of the Series 2021 Bonds.
- (2) For purposes of the sensitivity, the Independent Living Units are estimated to reach stabilized occupancy of 95.0% in June 2027.

Sensitivity Analysis II – Entrance Fee Cash Flow Predictability

Actual net Entrance Fee cash flow receipts from turnover may vary from Management's assumptions included in the forecast. 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. Assumptions regarding the timing of Entrance Fee refunds and pricing are also subject to variances. Accordingly, the following analyses have been presented for the purpose of demonstrating the significance of entrance fee cash flow assumptions on the financial forecast.

Sensitivity Analysis IIA

The data presented in the table below is provided to demonstrate the impact of assuming no turnover Entrance Fee cash flow receipts or refunds in the stabilized year of 2027.

Sensitivity Analysis IIB

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.

Table 46
Sensitivity Analysis – II
Estimated Financial Information
For the Year Ending June 30, 2027
(In Thousands, Except for Ratios)

	As Forecasted	Sensitivity IIA ⁽¹⁾	Sensitivity IIB ⁽¹⁾⁽²⁾
Turnover Entrance Fees Received	\$16,876	-	\$12,656
Entrance Fee Refunds Paid	(\$9,108)	-	(\$9,108)
Net Entrance Fees Received	\$7,768	-	\$3,548
Max. Annual Debt Service Coverage Ratio	1.37x	0.80x	1.06x
Days Cash on Hand	410	325	303

Source: Management

- (1) For purposes of the sensitivity analysis, the assumed schedule for the repayment of debt remains as originally forecasted.
- (2) The sensitivity in the liquidity ratios is due to the 25 percent reduction in turnover Entrance Fees received in each of the forecasted years.

APPENDIX C

SUMMARIES OF PRINCIPAL DOCUMENTS

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APPENDIX C

SUMMARIES OF PRINCIPAL DOCUMENTS

Definitions of Certain Terms

As used this Preliminary Official Statement, the following terms shall have the meanings set forth below. For defined terms relating to the Master Indenture, see “Summary of Certain Provisions of the Master Indenture” herein.

“Account” means any Account within any Fund created and maintained pursuant to the Indenture.

“Accredited Investor” means, a purchaser or beneficial owner of the Series 2021 Bonds which is an “accredited investor” as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended.

“Act” means Section 1411 of the New York Not-For-Profit Corporation Law.

“Additional Bonds” or “Series of Additional Bonds” means any Series of Additional Bonds issued by the Issuer on behalf of the Institution pursuant to the Indenture.

“Applicable Elected Representative” means any Person constituting an “applicable elected representative” within the meaning given to the term in Section 147(f)(2)(E) of the Code.

“Architect” means HCM Design, Inc.

“Assignment of Building Loan Mortgage” means the Assignment of Building Loan Leasehold Mortgage and Security Agreement, dated as of November __, 2021, from the Issuer to the Master Trustee.

“Assignment of Project Loan Mortgage” means the Assignment of Project Loan Leasehold Mortgage and Security Agreement, dated November __ 2021, from the Issuer to the Master Trustee.

“Authenticating Agent” means the Trustee.

“Authorized Investments” has the meaning given to the term “Permitted Investments” in the Master Indenture.

“Authorized Representative” means, in the case of the Issuer, the Executive Director, Chair, or any other authorized member of the Issuer; in the case of the Institution, the President or Executive Director of the Institution; and, in the case of either of the Issuer or the Institution, such additional persons as, at the time, are designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Trustee, the Issuer or the Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the

Executive Director, Chair or any other authorized member of the Issuer, or (ii) the Institution by the President or Executive Director of the Institution.

“Beneficial Owner” means whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Bonds are not held in the Book-Entry System, Beneficial Owner shall mean “Holder” for purposes of the Bond Documents.

“Bond”, “Bonds” or “Series of Bonds” means collectively, the Series 2021 Bonds and any Series of Additional Bonds.

“Bond Counsel” means the law firm of Nixon Peabody LLP or an attorney or other firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” means the Master Indenture, the Supplemental Indenture for Obligation No. 1, the Series 2021 Obligations, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Building Loan Agreement, the Tax Regulatory Agreement, the Promissory Note, the Building Loan Mortgage, the Assignment of Building Loan Mortgage, the Project Loan Mortgage, the Assignment of Project Loan Mortgage, the Collateral Assignments, the Environmental Compliance and Indemnification Agreement, the Continuing Disclosure Agreement and the Official Statement.

“Bond Fund” means the fund so designated which is established by the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated _____, 2021, among the Issuer, the Institution and the Underwriter, as the same may be amended from time to time.

“Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Bonds.

“Bond Rate” means the tax-exempt rate of interest from time to time payable on any of the Bonds as defined therein.

“Bond Registrar” means the Trustee as bond registrar with respect to the Bonds and its successors and assigns in such capacity.

“Bond Resolution” means the resolution duly adopted by the Issuer on September __, 2021, authorizing the issuance, execution, sale and delivery of the Series of 2021 Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

“Bond Year” means with respect to the Bonds, each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar

year that is selected by the Issuer (and approved by the Institution), which must be the last day of a compounding interval used in computing the yield on the Bonds.

“Bondholder” means Owner.

“Building Loan Agreement” means the Building Loan Agreement, dated as of November 1, 2021 among the Institution, the Issuer and the Trustee.

“Building Loan Mortgage” means the Building Loan Leasehold Mortgage and Security Agreement, dated as of November 1, 2021 from the Institution to the Issuer.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

“Capitalized Interest Account” means the account within the Project Fund, so designated which is established by the Indenture.

“Certificate of Authentication” means the certificate executed by an authorized signatory of the Trustee certifying the due authentication of each of the Bonds issued under the Indenture.

“Closing Date” means the date of sale and delivery of the Series 2021 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed rules, regulations, rulings and interpretations of the Department of the Treasury promulgated thereunder.

“Collateral Assignments” means, collectively, the Collateral Assignment of Advertising Services Agreement, the Collateral Assignment of Construction Document Review and Inspection Agreements, the Collateral Assignment of Construction Monitoring Agreement, the Collateral Assignment of Design Agreement, the Collateral Assignment of Development Consulting Agreement, the Collateral Assignment of Environmental Services Agreement, the Collateral Assignment of Feasibility Consultant Contract, the Collateral Assignment of Guaranteed Maximum Price Contract, the Collateral Assignment of Civil Engineer and Landscape Architect Agreement, the Collateral Assignment of Management Agreement, and the Collateral Assignment of Residency Agreements.

“Collateral Assignment of Advertising Services Agreement” means the Collateral Assignment of Advertising Services Agreement dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Civil Engineer and Landscape Architect Agreement” means the Collateral Assignment of Civil Engineer and Landscape Architect Agreement dated as of November 1, 2021, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Construction Document Review and Inspections Agreements” means the Collateral Assignment of Construction Document Review and Inspection Agreements dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Construction Monitoring Agreement” means the Collateral Assignment of Architect Agreement dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Design Agreement” means the Collateral Assignment of Design Agreement dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Development Consulting Agreement” means the Collateral Assignment of Development Consulting Agreement dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Environmental Services Agreement” means the Collateral Assignment of Environmental Services Agreement dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Feasibility Consultant Contract” means the Collateral Assignment of Feasibility Consultant Contract dated as of November 1, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Guaranteed Maximum Price Construction Agreement” means the Collateral Assignment of Guaranteed Maximum Price Construction Agreement dated as of November 1, 2021, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Management Agreement” means the Collateral Assignment of Management Agreement dated as of November 1, 2021, 2021, from the Institution to the Master Trustee.

“Collateral Assignment of Residency Agreements” means the Collateral Assignment of Residency Agreements dated as of November 1, 2021, 2021, from the Institution to the Master Trustee.

“College” means SUNY, Purchase College.

“Completion Certificate” means the Completion Certificate delivered by the Institution to the Issuer and the Trustee pursuant to the Loan Agreement.

“Completion Date” means the date of completion of the Series 2021 Project as certified to pursuant to the Loan Agreement.

“Computation Period” means “Computation Period” as defined in the Tax Regulatory Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

“Construction Account” means the account so designated within the Project Fund, which is established by the Indenture.

“Construction Monitor” means Alcala Construction Management, Inc..

“Construction Monitor Agreement” means the Construction Disbursement and Monitoring Agreement dated as of November __, 2021, by and among the Institution, the Construction Monitor, and the Trustee.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of November __, 2021, between the Institution and the Trustee, as dissemination agent.

“Cost of Issuance Account” means the account within the Project Fund, so designated which is established by the Indenture.

“Cost of the Series 2021 Project” or “Costs of the Series 2021 Project” means all those costs and items of expense listed in the Loan Agreement.

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Bonds.

“Debt Service Payment Date” means any date on which a Debt Service Payment shall be payable on any Bonds.

“Debt Service Requirement” means, with reference to a specified period, with respect to any Series of Bonds (i) interest accruing on such Bonds during the period, except to the extent such interest is treated as a capital expense or is payable from the proceeds of such Bonds, and (ii) amounts required to be deposited in the Bond Fund during such period to pay the principal amount of such Bonds becoming due at maturity or by mandatory redemptions, as the case may be; and

“Debt Service Reserve Fund” means the fund so designated which is created by of the Indenture.

“Debt Service Reserve Fund Requirement” means (a) with respect to the Series 2021A Bonds, an amount equal to the least of (i) ten percent (10%) of the Stated Principal Amount (as defined in the Tax Regulatory Agreement) of the Series 2021A Bonds, (ii) one hundred twenty five percent (125%) of the average annual Debt Service

Payments in all future Fiscal Years on the Series 2021A Bonds, or (iii) one hundred percent (100%) of the Maximum Annual Debt Service in all Fiscal Years on the Series 2021A Bonds; (b) with respect to each series of Entrance Fee Redemption Bonds, an amount equal to one hundred percent (100%) of the maximum interest payments due in all Fiscal Years, after Fiscal Year ending June 30, 2022, on such series of Entrance Fee Redemption Bonds; and (c) with respect to any Series of Additional Bonds, such amount, if any, as shall be determined and set forth in the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds.

“Dissemination Agent” shall have the meaning ascribed to such term in the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Letter of Representation” means the Letter of Representation from the Issuer to DTC.

“Entrance Fee” or “Entrance Fees” means the fees so designated to be paid by each resident of the Facility pursuant to the Residency Agreement and any deposit in respect thereof.

“Entrance Fee Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Entrance Fee Redemption” has the meaning specified in the Indenture.

“Entrance Fee Redemption Bonds” means the Series 2021B Bonds, the Series 2021C Bonds, and Series 2021D Bonds, and the Series 2021E Bonds.

“Entrance Fee Redemption Date” has the meaning specified in the Indenture.

“Environmental Compliance and Indemnification Agreement” means the Environmental Compliance and Indemnification Agreement dated as of November 1, 2021, by and among the Institution, the Issuer, and the Master Trustee.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Series 2021 Project and financed with Bond Proceeds.

“Event of Default” (i) when used with respect to the Indenture means any of those events defined as an Event of Default by the Indenture, and (ii) when used with respect to the Loan Agreement, means any of the events defined as Events of Default by the Loan Agreement.

“Event of Taxability” means, with respect to the Series 2021 Bonds:

(i) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or

from which no timely appeal shall be taken to the effect that interest on the Tax-Exempt Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code; or

(ii) the delivery to the Institution and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Institution) to the effect that interest on the Tax-Exempt Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code.

“Exempt Organization” means an organization described in Section 501(c)(3) of the Code and which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“Facility” shall have the meaning ascribed thereto in the recitals to the Indenture.

“Fiscal Year” means the twelve (12) month period beginning on July 1 in any year or such other fiscal year as the Institution may select from time to time.

“Fitch” means Fitch Ratings and its successors and assigns.

“Fund” means any Fund created and maintained pursuant to the Indenture.

“Government Obligations” means the obligations listed in paragraph (a), (b) and (c) of the definition of “Permitted Investments” in the Master Trust Indenture.

“Gross Revenues” has the meaning given to such term in the Master Trust Indenture.

“Ground Lease” means the Ground Lease dated as of March 3, 2017 from SUNY, as ground lessor, to PCAC, as ground lessee.

“Ground Sub-lease” means the Sublease Agreement, dated as of June 28, 2018, from PCAC, as ground sub-lessor, to the Institution, as ground-sublessee, as amended by the First Amendment to Sublease Agreement, dated as of August 20, 2021.

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended

(49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Holder” means Owner.

“Improvements” means all those buildings, improvements, structures and other related facilities (i) financed with Series 2021 Bond Proceeds or from any payment by the Institution pursuant to the Loan Agreement, and (ii) not part of the Equipment, all as they may exist from time to time.

“Indebtedness” has the meaning given to such term in the Master Trust Indenture.

“Indenture” means the Indenture of Trust, dated as of November 1, 2021, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 2021 Bonds and the security therefor as the same may be amended or supplemented from time to time.

“Independent Counsel” means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and does not have any employment relationship with the Issuer, the Institution or the Trustee or any affiliates thereof.

“Information Report” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required to monitor the State volume limitations.

“Initial Entrance Fee” has the meaning given to such term in the Master Trust Indenture.

“Institution” shall mean Purchase Senior Learning Community Inc. a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, having an office at 735 Anderson Hill Road, Purchase, New York 10577.

“Institution Documents” means the Bond Purchase Agreement, the Loan Agreement, the Building Loan Mortgage, the Project Loan Mortgage, the Building Loan Agreement, the Collateral Assignments, the Environmental Compliance Agreement, the Tax Regulatory Agreement, the Note, the Series 2021 Obligations, the Master Indenture, the Supplemental Indenture for Obligations No. 1, the Continuing Disclosure Agreement and the Official Statement.

“Interest Account” means the Interest Account within the Bond Fund so designated which is established by the Indenture.

“Interest Payment Date” means with respect to the Series 2021 Bonds, any Debt Service Payment Date on which interest is due and payable on any Series of the Series 2021 Bonds.

“Investment Grade Rating” means “BBB-“ or higher by Fitch, “Baa3” or higher by Moody’s or “BBB-“ or higher by S&P, or such other equivalent rating from any other Rating Agency.

“Issuer” means (i) the Westchester County Local Development Corporation, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Series 2021 Bonds, the Loan Agreement, the Indenture, the Assignment of Building Loan Mortgage, the Assignment of Project Loan Mortgage, the Building Loan Agreement, the Tax Regulatory Agreement, the Environmental Compliance and Indemnification Agreement, the Information Report and the Official Statement.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” also means any reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Liquidity Requirement” shall have the meaning given to such term in the Master Indenture.

“Liquidity Support Agreement” means the Liquidity Support Agreement dated as of November __, 2021 by and among PCAC, as liquidity provider, the Institution and the Trustee, entered into in connection with the issuance of the Series 2021 Bonds.

“Liquidity Support Fund” means the fund so designated which is established in the Indenture.

“Loan Agreement” means, the Loan Agreement, dated as of November 1, 2021 by and among the Issuer and the Institution, or any other Loan Agreement entered into in connection with any Series of Additional Bonds, as the same may be amended from time to time.

“Loan Term” means the duration of the loan term created in the Loan Agreement.

“Marketing and Occupancy Targets” shall have the meaning given to such term in the Master Indenture.

“Master Indenture” means the Master Trust Indenture, as the same may be amended, modified or supplemented from time to time, including as supplemented by the Supplemental Indenture for Obligation No. 1 dated as of November 1, 2021 between the Institution and the Master Trustee.

“Master Trust Indenture” means the Master Trust Indenture, dated as of November 1, 2021, by and between the Institution and The Bank of New York Mellon, as master trustee.

“Master Trustee” means The Bank of New York Mellon, a New York banking corporation, its successor and assigns.

“Maximum Annual Debt Service Requirement” means the greatest Debt Service Requirements in the then current or any future Fiscal Year exclusive of the Debt Service Requirements becoming due in the twelve months preceding the final maturity date thereof.

“Moody’s” means Moody’s Investor Service.

“Mortgages” means, collectively, the Building Loan Mortgage and the Project Loan Mortgage.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

“Note” means the Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit B to the Loan Agreement, together with Endorsement from the Issuer to Trustee, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Obligated Group Member” or “Member of the Obligated Group” means the Institution and any additional members admitted to the Obligated Group in accordance with the provisions of the Master Trust Indenture.

“Obligation No. 1” means Obligation No. 1, dated the Closing Date and issued under the Master Trust Indenture to secure the obligations of the Institution under the Loan Agreement, the Series 2021 Bonds and the other Institution Documents.

“Office of the Trustee” means the principal corporate trust office of the Trustee, as specified in the Indenture, or such other address as the Trustee shall designate.

“Officer’s Certificate” has the meaning given to such term in the Master Indenture.

“Official Statement” means the Official Statement, dated _____, 2021, distributed by the Underwriter and the Institution in connection with the sale of the Series 2021 Bonds.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered and those fees and expenses normally incurred by or due to a trustee or paying agent, as the case may be, under instruments similar to the Indenture, including reasonable fees and disbursements of counsel for the Trustee.

“Outstanding” or “Bonds Outstanding” or “Outstanding Bonds” means all bonds which have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any supplement thereto, except: (i) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (ii) any bond deemed paid in accordance with the provisions of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“Owner” or “Owners” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

“Paying Agent” means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

“Participants” means those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“PCAC” means Purchase College Advancement Corporation, a New York, not-for-profit corporation.

“Permitted Encumbrances” has the meaning given to such term in the Master Trust Indenture.

“Person” or “Persons” means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“Plans and Specifications” means the detailed plans and specifications for the construction of the Facility prepared by the Architect or by architects and engineers acceptable to the Architect, as amended from time to time by the Institution.

“Preliminary Official Statement” means the Preliminary Official Statement, dated October 4, 2021, distributed by the Underwriter and the Institution in connection with the sale of the Series 2021 Bonds.

“Principal Account” means the Principal Account within the Bond Fund so designated which is established by the Indenture.

“Project Fund” means the fund so designated which is created by the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Qualified Institutional Buyer” means a purchaser or beneficial owner of the Series 2021 Bonds, which is (i) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended, or (ii) a “sophisticated municipal market professional” as defined in Municipal Securities Rulemaking Board Rule D-15.

“Rating Agency” means Moody’s, Fitch, S&P or such other nationally recognized rating agency which shall have issued and is maintaining a rating on the Bonds.

“Rating Agency Letter” means the rating letter from each Rating Agency assigning a rating on the Bonds.

“Rebate Amount” means the amount computed as described in the Tax Regulatory Agreement.

“Rebate Fund” means the fund so designated pursuant to the Indenture.

“Record Date” means, with respect to any Debt Service Payment Date, the fifteenth (15th) day of the month next preceding such Debt Service Payment Date (whether or not a Business Day).

“Redemption Date” means, when used with respect to a Bond, the date of redemption thereof established pursuant to the Indenture.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the Indenture.

“Refunding Bonds” shall have the meaning ascribed thereto in the Indenture.

“Residency Agreement” means any written agreement or contract, as amended from time to time, between the Institution and a resident or potential resident of the Facility giving the resident certain rights of occupancy in the Facility, including without

limitation, with respect to independent living units and providing for certain services to such resident including any reservation agreement or other agreement or contract reserving rights of occupancy.

“Schedule of Definitions” means the words and terms set forth in the Schedule of Definitions attached to the Indenture as the same may be amended from time to time.

“Securities Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“Series 2018 BANs” means Issuer’s \$15,000,000 Tax-Exempt Revenue Bond Anticipation Notes, Series 2018 (Purchase Senior Living Community, Inc. Project).

“Series 2018 BANs Trustee” means (i) The Bank of New York Mellon, a New York banking corporation organized under the laws of the United States of America, having a corporate trust office at 240 Greenwich Street, New York, New York 10286, as trustee for the Series 2018 BANs.

“Series” means the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, the Series 2021E Bonds, or any Series of Additional Bonds.

“Series 2021 Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Series 2021 Bonds.

“Series 2021 Bonds” means, collectively, the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds.

“Series 2021 Obligation” means Obligation No. 1.

“Series 2021 Project” shall have the meaning set forth in the recitals of the Indenture.

“Series 2021A Bonds” means the Issuer’s Revenue Bonds, Series 2021A (Purchase Senior Learning Community Inc. Project) issued pursuant to the terms of the Indenture on November __, 2021 in the aggregate principal amount of \$_____ and substantially in the form of Exhibit A of the Indenture.

“Series 2021B Bonds” means the Issuer’s Revenue Bonds, Series 2021B Entrance Fee Principal Redemption BondsSM (Purchase Senior Learning Community Inc.

Project) issued pursuant to the terms of the Indenture on November __, 2021 in the aggregate principal amount of \$ _____ and substantially in the form of Exhibit A of the Indenture.

“Series 2021C Bonds” means the Issuer’s Revenue Bonds, Series 2021C Entrance Fee Principal Redemption BondsSM (Purchase Senior Learning Community Inc. Project) issued pursuant to the terms of the Indenture on November __, 2021 in the aggregate principal amount of \$ _____ and substantially in the form of Exhibit A of the Indenture.

“Series 2021D Bonds” means the Issuer’s Revenue Bonds, Series 2021D Entrance Fee Principal Redemption BondsSM (Purchase Senior Learning Community Inc. Project) issued pursuant to the terms of the Indenture on November __, 2021 in the aggregate principal amount of \$ _____ and substantially in the form of Exhibit A of the Indenture.

“Series 2021E Bonds” means the Issuer’s Taxable Revenue Bonds, Series 2021E Entrance Fee Principal Redemption BondsSM (Purchase Senior Learning Community Inc. Project) issued pursuant to the terms of the Indenture on November __, 2021 in the aggregate principal amount of \$ _____ and substantially in the form of Exhibit A of the Indenture.

“Sinking Fund Payments” means payments made on a Debt Service Payment Date to pay the Redemption Price of bonds called for redemption pursuant to the Indenture.

“Special Redemption Fund” means the fund so designated, which is established by the Indenture.

“S&P” or “Standard & Poor’s” means S&P Global Ratings, a Delaware limited liability company which is a subsidiary of McGraw Hill Financial, Inc.

“Stabilization” shall have the meaning set forth in the Master Trust Indenture.

“State” means the State of New York.

“Subaccount” means any subaccount established for a particular Series of Bonds in any Account in any Fund created and maintained pursuant to the Indenture.

“Substitute Facility” shall have the meaning ascribed thereto in the Loan Agreement.

“SUNY” means the State University of New York.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture or in connection with the issuance of any Additional Bonds adopted by the Issuer in accordance with the Indenture.

“Supplemental Indenture for Obligation No. 1” means the Supplemental Indenture for Obligation No. 1, dated as of November 1, 2021, by and between the Institution and the Master Trustee.

“Tax-Exempt Additional Bonds” means any Additional Bonds issued hereunder as bonds the interest on which is excluded from gross income for federal income tax purposes.

“Tax-Exempt Bonds” means the Tax-Exempt Series 2021 Bonds and any Tax-Exempt Additional Bonds issued under the Indenture as bonds the interest on which is excluded from gross income for federal income tax purposes.

“Tax-Exempt Series 2021 Bonds” means the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, and the Series 2021D Bonds.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated the Closing Date, among the Issuer, the Institution and the Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and with the terms of the Indenture, or any other Tax Regulatory Agreement entered into in connection with any Series of Additional Bonds which are Tax-Exempt Bonds.

“Trust Estate” means the rights assigned pursuant to the Indenture and all Property which may from time to time be subject to the lien of the Indenture.

“Trustee” means (i) The Bank of New York Mellon, a New York banking corporation organized under the laws of the United States of America, having a corporate trust office at 240 Greenwich Street, New York, New York, 10286, Attention: Corporate Trust Services, and (ii) its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

“Unassigned Rights” means the rights of the Issuer and moneys payable pursuant to and under Sections 5.3(a), 5.3(c), 6.4(c) and (d), 6.5, 6.7, 8.2, 8.3, 8.6, 8.8, 8.12, 9.1, 9.3, 10.2(a)(i)(A) and (B) and (iii) 10.4(a) and 11.2(b) of the Loan Agreement.

“Uniform Commercial Code” or “UCC” means the Uniform Commercial Code of the State of New York.

“Underwriter” means, (i) Herbert J. Sims & Co., Inc., having an office at 2150 Post Road, Suite 301, Fairfield, Connecticut 06824, or (ii) its successors and assigns.

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Summary of Certain Provisions of the Indenture

The following is a summary of certain provisions of the Indenture. Certain provisions of the Indenture are also described in the Preliminary Official Statement. This summary does not purport to be complete and reference is made to the Indenture for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Indenture and are included for ease of reference only.

Authentication

No Series 2021 Bond shall be valid for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Series 2021 Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Series 2021 Bonds included as Exhibit A in the Indenture. No Series of Additional Bonds shall be valid for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Additional Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Bonds included as Exhibit A to the Supplemental Indenture executed and delivered in connection with the issuance of such Series of Additional Bonds. Such executed Certificate of Authentication by the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Bonds issued under the Indenture. *(Section 2.05)*

Mutilated, Lost, Stolen or Destroyed Bonds

(a) In the event any Series 2021 Bond or any Additional Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, series, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them

harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every new Bond issued pursuant to the provisions of the Indenture shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time after the issuance of such new Bonds, in which case the destroyed, lost or stolen Bond shall be void and unenforceable) and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued under the Indenture.

(c) All Series 2021 Bonds or Additional Bonds shall be held and owned upon the express condition that the provisions under this heading are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary. (*Section 2.09*)

Additional Bonds

(a) So long as the Indenture is in effect, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing additional costs with respect to the Series 2021 Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions, renovations, equipment, improvements or facilities to the Facility, (iv) refunding Outstanding Bonds or other Indebtedness of the Institution, or (v) refunding any other Indebtedness or bonds for which the Institution is the primary obligor, or for which the Institution is responsible for paying the debt service payments in connection therewith, or which the Institution has guaranteed (including, without limitation, any other debt issued under the Master Indenture). Such Additional Bonds shall be payable from the amounts payable under the Loan Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement or a new loan agreement (either such option, a “New Loan Agreement”) providing, among other things, that the payments payable under the New Loan Agreement shall be computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith.

(b) Each such Series of Additional Bonds shall be deposited with the Bond Registrar and thereupon shall be authenticated by the Authenticating Agent. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be delivered by the Bond Registrar at the direction of the Trustee to or upon the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(i) a copy of the resolution, duly certified by the Executive Director or Chair, of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and the New Loan Agreement;

(ii) original executed counterparts of the Supplemental Indenture and the New Loan Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture and the New Loan Agreement, the project referred to therein and the premises financed or refinanced thereunder shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Series 2021 Bonds now being issued and any Additional Bonds theretofore issued;

(iii) a written opinion of Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(iv) a certificate of an Authorized Representative of the Institution to the effect that each Bond Document, as amended, to which it is a party continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(v) an original, executed counterpart of the amendment to each Bond Document with respect to such Additional Bonds;

(vi) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any; and

(vii) certificate of the Authorized Representative of the Institution evidencing that the issuance of such Series of Additional Bonds complies with the Loan Agreement.

(c) (i) Upon the written request of the Institution, one or more Series of Additional Bonds may be authenticated and delivered upon original issuance to refund ("Refunding Bonds") all Outstanding Bonds or any part of Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture and of the resolution authorizing said Refunding Bonds. In the case of the refunding under the Indenture of less than all Bonds Outstanding, the Trustee shall proceed to select such Bonds in accordance with Section 3.03 hereof.

(ii) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by the Indenture, as may be applicable) of:

(A) Irrevocable written instructions from the Issuer to the Trustee, at least forty-five (45) days prior to the Redemption Date, satisfactory to the Trustee, to give due notice of redemption pursuant to the Indenture to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the Redemption Date specified in such instructions;

(B) Either:

(1) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price, together with accrued interest on such Bonds to the maturity or Redemption Date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, which moneys shall be held in trust and used as provided in the Indenture, or

(2) Government Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Indenture, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Government Obligations and moneys shall be held in trust and used only as provided in the Indenture.

(iii) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Government Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to the Indenture shall be equally and ratably secured under the Indenture with the Series 2021 Bonds and all other Series of Additional Bonds, if any, issued pursuant to the Indenture, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

(e) Notwithstanding anything herein to the contrary, no Series of Additional Bonds shall be issued unless: (i) at the time of issuance of such Series of Additional Bonds and after the application of proceeds thereof, there is no Event of Default under any Bond Document; and (ii) the Loan Agreement is in effect and at the time of issuance there is no Event of Default under any such document nor any event which upon notice or lapse of time or both would become such an Event of Default.

(f) The Supplemental Indenture providing for the issuance of any Series of Additional Bonds shall contain applicable provisions for the payment of principal of, Redemption Price of, and interest on such Series of Additional Bonds including any interest rate modes applicable to such Series of Additional Bonds, redemption provisions applicable to such Series of Additional Bonds, such Funds, Accounts or subaccounts to be created or held by the Trustee under the Indenture with respect to such Series of Additional Bonds, collateral and security (including credit facilities securing such Series of Additional Bonds) and such other terms and provisions as the Issuer may determine are necessary in connection with the issuance of such Additional Bonds. *(Section 2.14)*

Establishment of Funds

The following trust funds are established under the Indenture with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with the Indenture:

(a) Westchester County Local Development Corporation Bond Fund – Purchase Senior Learning Community Inc. (the “**Bond Fund**”), and within such Bond Fund, an “Interest Account” and a “Principal Account” and within such Interest Account and Principal Account, Subaccounts for the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, the Series 2021E Bonds and each Series of Additional Bonds issued under the Indenture.

(b) Westchester County Local Development Corporation Project Fund – Purchase Senior Learning Community Inc. (the “**Project Fund**”), and within such Project Fund, a “Series 2018 BANs Redemption Account”, a “Construction Account”, a “Costs of Issuance Account” and a “Capitalized Interest Account”; and within such Construction Account and Cost of Issuance Account, a Subaccount for the Tax-Exempt Series 2021 Bonds and a Subaccount for the Series 2021E Bonds; and within the Capitalized Interest Account, Subaccounts for each of the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, the Series 2021E Bonds.

(c) Westchester County Local Development Corporation Entrance Fee Fund – Purchase Senior Learning Community Inc. (the “**Entrance Fee Fund**”).

(d) Westchester County Development Corporation Renewal Fund – Purchase Senior Learning Community Inc. (the “**Renewal Fund**”).

(e) Westchester County Local Development Corporation Rebate Fund – Purchase Senior Learning Community Inc. (the “**Rebate Fund**”) and within such Rebate Fund, an Account for the Tax-Exempt Series 2021 Bonds and each Series of Tax-Exempt Additional Bonds issued hereunder.

(f) Westchester County Local Development Corporation Special Redemption Fund – Purchase Senior Learning Community Inc. (the “**Special Redemption Fund**”).

(g) Westchester County Local Development Corporation Debt Service Reserve Fund – Purchase Senior Learning Community Inc. (the “**Debt Service Reserve Fund**”), and within such Debt Service Reserve Fund, an Account for the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, the Series 2021D Bonds, the Series 2021E Bonds, and each Series of Additional Bonds.

(h) Westchester County Local Development Corporation Working Capital Reserve Fund – Purchase Senior Learning Community Inc. (the “**Working Capital Reserve Fund**”).

(i) Westchester County Local Development Corporation Liquidity Support Fund – Purchase Senior Learning Community Inc. (the “**Liquidity Support Fund**”).

(j) Upon the issuance of any Series of Additional Bonds pursuant to the Indenture, the Supplemental Indenture entered into with respect to such Series of Additional Bonds shall create such Funds and Accounts and/or Subaccounts within any Account with respect to such Series of Additional Bonds, as applicable. *(Section 4.01)*

Moneys to Be Held in Trust

All moneys deposited with, paid to or received by the Trustee for the accounts of the Issuer (other than amounts deposited in the Rebate Fund) shall be held by the Trustee in trust, and shall be subject to the lien of the Indenture and held for the security of the Owners of the particular Series of Bonds until paid in full; provided, however, that moneys which have been deposited with, paid to or received by the Trustee (i) for the redemption of a portion of the particular Series of Bonds, notice of the redemption of which has been given, or (ii) for the payment of the particular Series of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and subject to a lien in favor of only the Owners of such Series of Bonds so called for redemption or so due and payable. *(Section 4.03)*

Use of the Moneys in Project Fund

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of the Loan Agreement.

(b) The Trustee is hereby authorized and directed, on the Closing Date, to transfer amounts on deposit in the Series 2018 BANs Redemption Account to the Series 2018 BANs Trustee to defease the Series 2018 BANs.

(c) Except as otherwise provided in paragraph (a) immediately above, the Trustee is hereby directed to issue its checks or send its wires for each disbursement from the Construction Account upon being furnished with a written requisition therefor certified by an Authorized Representative of the Institution substantially in the form of Exhibit B-1 to the Indenture; and the Trustee is directed to issue its checks or send its wires for each disbursement from the Costs of Issuance Account of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Representative of the Institution substantially in the form of Exhibit B-2 annexed to the Indenture. On or before each Interest Payment Date, the Trustee shall transfer from each Subaccount of the Capitalized Interest Account to the corresponding Subaccount of the Interest Account of the Bond Fund an amount sufficient to pay interest on such Series of the Series 2021 Bonds. After all Costs of Issuance of the Series 2021 Bonds have been paid, the Trustee shall upon the written direction of the Institution, transfer all remaining amounts on deposit in each Subaccount of the Costs of Issuance Account of the Project Fund to the corresponding Subaccount of the Construction Account of the Project Fund. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(d) The completion of the Series 2021 Project and payment or provision for payment of all of the Costs of the Series 2021 Project shall be evidenced by the filing

with the Trustee of the Completion Certificate required by the Loan Agreement. As soon as practicable and in any event not more than sixty (60) days after the date of the filing with the Trustee of the certificate referred to in the preceding sentence, any balance remaining in the Accounts of the Project Fund, except amounts that the Institution shall have directed the Trustee, in writing, to retain for any Costs of the Series 2021 Project not then due and payable, and after the making of any transfer to the Rebate Fund that the Institution shall have directed the Trustee, in writing, to make as required by the Tax Regulatory Agreement and the Indenture, shall without further authorization be transferred to the Series 2021A Subaccount of the Interest Account of the Bond Fund and thereafter applied as provided in the Indenture.

(e) Within sixty (60) days after transfer of the balance in the Project Fund to the Bond Fund, the Trustee shall file an accounting thereof with the Issuer and the Institution.

(f) All earnings, if any, on amounts held in any Subaccount of the Construction Account or the Cost of Issuance Account for the Tax-Exempt Series 2021 Bonds shall be transferred to the Subaccounts of the Interest Account for the Tax-Exempt Series 2021 Bonds, pro rata based on the outstanding principal amount of each Series of Tax-Exempt Series 2021 Bonds, until the Completion Date. All earnings, if any, on amounts held in any Subaccount of Construction Account or the Cost of Issuance Account for the Series 2021E Bonds shall be transferred to the Subaccount of the Capitalized Interest Account for the Series 2021E Bonds until the Completion Date. All earnings, if any, on amounts held in any Subaccount of the Capitalized Interest Account shall be retained in such Subaccount the Completion Date. Any transfers by the Trustee of amounts to the Rebate Fund (only at the written direction of the Institution) shall be drawn by the Trustee from the Project Fund.

(g) If an Event of Default under the Indenture shall have occurred and the outstanding principal amount of the Series 2021 Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the Institution pursuant to the Tax Regulatory Agreement and the Indenture, shall be transferred to the corresponding applicable Subaccounts of the Accounts of the Bond Fund and applied as provided in the Indenture. *(Section 4.04)*

Payments into Bond Fund

There shall be deposited in the Subaccounts of the Accounts of the Bond Fund, as and when received (a) all payments received by the Trustee under the Loan Agreement or any similar provision in the New Loan Agreement with respect to the payment of debt service on any Series of Additional Bonds; (b) the amount of net income or gain received from the investments of moneys in the Bond Fund and all Funds and Accounts (other than the Rebate Fund) held under the Indenture after the Completion Date; (c) amounts transferred from the Construction Account of the Project Fund in accordance with the Indenture; (d) amounts transferred from the Capitalized Interest Account of the Project Fund in accordance with the Indenture, (e) the Net Proceeds derived from insurance

proceeds or Condemnation awards to be used to redeem the Bonds pursuant to the Loan Agreement and transferred from the Renewal Fund pursuant to the Indenture; (f) amounts transferred pursuant to the Loan Agreement, (g) amounts transferred from the applicable Account of the Debt Service Reserve Fund pursuant to the Indenture with respect to the applicable Series of Series 2021 Bonds or with respect to any other Series of Bonds for which an Account of the Debt Service Reserve Fund has been established and funded, and (h) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or this Indenture and designated for deposit in the Bond Fund. *(Section 4.05)*

Use of Moneys in Bond Fund

(a) Except as otherwise expressly provided in the Indenture, moneys in the Subaccounts of the Accounts of the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the related Series 2021 Bonds or for the purchase or redemption of related Series of Additional Bonds, as provided in the Indenture. Moneys deposited in the Subaccounts of the Accounts of the Bond Fund in accordance with the provisions of the Indenture, however, may not be used for the payment of interest on the Series 2021 Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date, pay out of the monies then held for the credit of the applicable Subaccount of the Interest Account the amounts required for the payment of interest becoming due on the respective series of Bonds on such Debt Service Payment Date, and such amounts so withdrawn are irrevocably dedicated for and shall be applied to the payment of interest.

(c) The Trustee shall, on or before each Debt Service Payment Date, when principal of the Bonds or Sinking Fund Payments are due, pay out of the monies then held for the credit of the Subaccounts of the Principal Account the amounts required for the payment of principal or Sinking Fund Payments becoming due at maturity, on a Sinking Fund Payment Date, or upon redemption of the respective Series of Bonds on such Debt Service Payment Date or Sinking Fund Payment Date and such amounts so withdrawn are irrevocably dedicated for and shall be applied to the payment of principal or Sinking Fund Payments.

(d) Except as provided in the Tax Regulatory Agreement, moneys transferred to the Series 2021A Subaccount of the Interest Account of the Bond Fund from the Subaccounts of the Construction Account of the Project Fund or another other Account or Subaccount of the Project Fund established in connection with another Series of Bonds pursuant to the Indenture or transferred to the Series 2021A Subaccount of the Interest Account of the Bond Fund pursuant to the Loan Agreement shall be invested, at the written direction of the Institution, with yield not in excess of the yield on the Series of 2021A Bonds, or in investments that are tax-exempt obligations as described in Section 148(b)(3) of the Code, and such moneys and earnings thereon shall be applied only to pay interest on the Series 2021A Bonds as it becomes due and payable.

(e) In the event there shall be on any Debt Service Payment Date, a deficiency in the Bond Fund (a “**Payment Deficiency**”), with respect to any Series 2021 Bond or Series of Series 2021 Bond, the Trustee shall make up any such deficiency from the applicable Account of the Debt Service Reserve Fund to the extent of the amounts in such Account of the Debt Service Reserve Fund, by the withdrawal of monies from the Debt Service Reserve Fund, to the extent available and by the sale or redemption of securities held in such Account of the Debt Service Reserve Fund sufficient to make up any deficiency, provided, however, that failure to redeem any Entrance Fee Redemption Bonds on any Entrance Fee Redemption Date shall not constitute a Payment Deficiency hereunder.

(f) The Trustee shall call Series 2021A Bonds for redemption according to the Indenture, upon written direction of the Issuer or the Institution to the Trustee, on or after the date the Series 2021A Bonds are subject to optional redemption pursuant to the Indenture or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, whenever the assets of the Bond Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all the Series 2021A Bonds then Outstanding or to redeem the Series 2021A Bonds in part pursuant to the Indenture or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, including accrued interest thereon to the Redemption Date.

(g) Moneys in the respective Subaccounts of the Accounts of the Bond Fund shall be used by the Trustee, upon written request of an Authorized Representative of the Institution, to purchase related Series 2021 Bonds on the most advantageous terms obtainable with reasonable diligence, provided that no such purchase shall be made:

(i) if an Event of Default under the Loan Agreement has occurred and remains uncured in accordance with the terms set forth therein;

(ii) within forty-five (45) days prior to any date on which such series of Series 2021 Bonds are subject to redemption pursuant to the Indenture or the relevant provisions of a Supplemental Indenture;

(iii) if the amount remaining in the Bond Fund, after giving effect to such purchase, is less than the amount required for the payment of the principal or Redemption Price of the Series 2021 Bonds theretofore matured or called for redemption, plus interest to the date of maturity or the Redemption Date, as the case may be, in all cases where such Bonds have not been presented for payment; or

(iv) at a price in excess of that specified by the Institution in its request to the Trustee, plus accrued interest to the date of purchase.

Notwithstanding the foregoing, each such purchase described above shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

The Trustee shall promptly notify the Issuer and the Institution of the principal amount and the maturity of each Series of Bonds so purchased and the balance held in the Bond Fund after such purchase.

(h) In connection with the purchase of the Series 2021 Bonds with moneys on deposit in the Bond Fund as provided the Indenture, the Trustee shall negotiate or arrange for such purchases in such manner (through brokers or otherwise and with or without receiving tenders) as it shall be instructed in writing by the Institution.

(i) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Series 2021 Bonds, forty-five (45) days prior to any date on which the Series 2021A Bonds are subject to redemption pursuant to the Indenture or the relevant provisions of a Supplemental Indenture equals or exceeds \$50,000, the Trustee shall, upon written request of an Authorized Representative of the Institution, apply as much of such balance as can be so applied to the redemption of the Series 2021A Bonds on such next succeeding Redemption Date in the manner provided in the Indenture or the relevant provisions of a Supplemental Indenture. The Trustee shall promptly notify the Issuer and the Institution of the principal amount and maturity of each such Series 2021A Bond so redeemed and the balance held in the Bond Fund after such redemption.

(j) Whenever the amount in the respective Account or Subaccount in the Bond Fund is sufficient to redeem all of the Outstanding Series 2021 Bonds or any Series of Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the Institution, take and cause to be taken the necessary steps to redeem all such Bonds or Series of Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified by the Institution. (*Section. 4.06*)

Payments into Entrance Fee Fund; Application of Entrance Fee Fund

(a) To the extent Initial Entrance Fees are released from escrow while any Entrance Fee Redemption Bonds are Outstanding, Initial Entrance Fees received by the Institution shall be tendered within five (5) Business Days to the Trustee and deposited by the Trustee in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

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

(2) Second, to the Liquidity Support Fund in an aggregate amount not to exceed \$10,000,000;

(3) Third, to the Working Capital Fund to pay for Costs of the Series 2021 Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$10,000,000;

(4) Fourth, if after the Working Capital Fund is fully funded from Initial Entrance Fees in the amount of \$10,000,000, as set forth in the Indenture, the amount on deposit in the Working Capital Fund falls below \$1,000,000, additional Initial Entrance Fees shall be deposited to the Working Capital Fund in an amount up to \$5,000,000;

(5) Fifth, to the applicable Account of the Debt Service Reserve Fund to make up for any deficiency with respect to any Debt Service Reserve Fund Requirement, provided, if there is a deficiency in more than one of the Accounts of the Debt Service Reserve Fund, then Initial Entrance Fees shall be applied to each deficient Account pro rata until all deficiencies are cured;

(6) Sixth, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021E Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(7) Seventh, after the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021D Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(8) Eighth, after the Series 2021D Bonds and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021C Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(9) Ninth, after the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021B Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(10) Tenth, after the Entrance Fee Redemption Bonds have been redeemed in full, all remaining Initial Entrance Fees shall be paid to the Institution and the Entrance Fee Fund shall be closed.

(b) The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements and transfer therefrom. (*Section 4.07*)

Investment Earnings on Funds; Application of Investment Earnings on Funds

(a) All investment income or earnings on amounts held in the Subaccounts of the Accounts of the Project Fund, the Subaccounts of the Accounts of the Bond Fund, the Accounts of the Debt Service Reserve Fund in excess of any applicable Debt Service Reserve Requirement, or any other special fund held under any of the Bond Documents

(other than the Rebate Fund) shall be deposited upon receipt by the Trustee into the corresponding related Subaccount of the Interest Account of the Bond Fund and used as set forth in the Indenture; provided that all earnings, if any, on amounts held in any Subaccount of Construction Account or the Cost of Issuance Account for the Tax-Exempt Series 2021 shall be transferred to the Subaccounts of the Capitalized Interest Account for the Tax-Exempt Series 2021 Bonds, pro rata based on outstanding principal amount of each Series of Tax-Exempt Series 2021 Bonds, and all earnings, if any, on amounts held in any Subaccount of the Capitalized Interest Account shall be retained in such Subaccount. If funds on deposit in any Account of the Debt Service Reserve Fund are below any Debt Service Reserve Requirement, all investment income or earnings on amounts held in such Account of the Debt Service Reserve Fund shall be retained in such Account of the Debt Service Reserve Fund until such Debt Service Reserve Requirement is met. The Trustee shall keep separate accounts of all investment earnings from each Fund and Account hereunder to indicate the source of the income or earnings.

(b) Within thirty (30) days after the end of each Computation Period, the Trustee, at the written direction of an Authorized Representative of the Institution, shall transfer to the Rebate Fund instead of the Project Fund or the Interest Account of the Bond Fund an amount of the investment earnings on the Funds and Accounts under the Indenture, such that the amount transferred to the Rebate Fund is equal to that amount as is set forth as the Rebate Amount in a written certificate delivered by the Institution to the Trustee pursuant to the Tax Regulatory Agreement and the Indenture. *(Section 4.08)*

Payments into Rebate Fund; Application of Rebate Fund

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Owner of any Series of Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, shall transfer, from moneys in the Project Fund, the Renewal Fund, or from any other moneys paid under the Tax Regulatory Agreement, into the Rebate Fund, within thirty (30) days after the end of each Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the immediately preceding Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Series 2021 Project pursuant to the Loan Agreement at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund within thirty (30) days of the Completion Date an amount received from the Institution such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the Series 2021 Project. The amount deposited in the Rebate Fund pursuant to the Indenture shall be paid by the Institution pursuant to the Tax Regulatory Agreement.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such

excess amount and deposit it in the Construction Account or Cost of Issuance Account of the Project Fund until the completion of the Series 2021 Project, or, after the Completion Date, deposit it in the applicable Subaccounts of the Accounts of the Bond Fund for application to the payment of principal or interest on the Series 2021A Bonds.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Series 2021 Bonds as of the date of such payment, and (ii) notwithstanding the provisions of the Indenture, not later than thirty (30) days after the date on which all Series 2021 Bonds have been paid in full, one hundred (100%) percent of the Rebate Amount as of the date of payment.

(e) The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from the Institution to make such transfer. *(Section 4.09)*

Special Redemption Fund.

Moneys on deposit in the Special Redemption Fund shall be applied by the Trustee in accordance with the provisions of this Section.

(a) The Trustee shall deposit in the Special Redemption Fund all amounts transferred from the Entrance Fee Fund after the Completion Date pursuant to the Indenture.

(b) Any time that amounts on deposit in the Special Redemption Fund equal \$25,000 or \$25,000 plus any integral multiple of \$5,000, the Trustee shall apply such amounts on any Entrance Fee Redemption Date to the redemption of any Entrance Fee Redemption Bonds due on such Entrance Fee Redemption Date in accordance with the provisions of the Indenture.

(c) Notwithstanding the foregoing provisions of the Indenture, the failure to redeem any Entrance Free Redemption Bonds on any Entrance Fee Redemption Date other than on the final maturity date of such Entrance Fee Redemption Bonds shall not constitute an Event of Default under the Indenture or the Loan Agreement.

(d) Any amounts remaining on deposit in the Special Redemption Fund after all of the outstanding Entrance Fee Redemption Bonds shall have been paid or provision for the payment thereof shall have been made as provided in the Indenture shall be paid to the Institution. *(Section 4.10)*

Payments into Renewal Fund; Application of Renewal Fund

(a) The Net Proceeds resulting from any insurance award, condemnation award or recovery from any contractor or subcontractor with respect to the Facility shall

be deposited in the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, lien and charge in favor of the Trustee until disbursed as provided herein.

(b) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, the Trustee shall, at the written direction of the Institution, apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Regulatory Agreement and the Indenture, to such replacement, repair, rebuilding, restoration or relocation. Upon the completion of such replacement, repair, rebuilding, restoration or relocation, and after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Regulatory Agreement and the Indenture, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Series 2021A Subaccount of the Interest Account of the Bond Fund and applied as provided in in the Indenture. If the Institution elects not to replace, repair, restore or relocate the Facility pursuant to the Loan Agreement, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Series 2021A Subaccount of the Interest Account of the Bond Fund and applied as provided in the Indenture.

(c) If any Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund and be continuing, the Trustee, unless it exercises the remedy provided by the Loan Agreement, shall, after making any transfer to the Rebate Fund, at the written direction of the Institution, as required by the Tax Regulatory Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund to be applied in accordance with the Indenture.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, the Trustee is hereby authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same shall have been paid by or on behalf of the Institution or the Issuer) of the costs required for the replacement, repair, rebuilding, restoration or relocation of the Facility. The Trustee is further authorized and directed to issue its checks or wires for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee and signed by an Authorized Representative of the Institution. Such requisition shall be in the same form and subject to the same conditions as requisitions from the Project Fund. *(Section 4.11)*

Investment of Moneys

(a) Moneys held in any Fund established pursuant to the Indenture shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to written direction by an Authorized Representative of the Institution. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the owners thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of such Fund or Accounts. The Trustee may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash

balance in such Fund or Accounts is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the Fund or the respective Account within a Fund or special trust account for which such moneys are invested, and the interest accruing thereon and any profit realized from such investment shall be credited to and held in and any loss shall be charged to the applicable fund.

(b) The Trustee may make any investment permitted by the Indenture through its own bond department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to the Indenture or for any loss arising from any such investment.

(c) Any investment authorized in the Indenture is subject to the condition that no use of the proceeds of any Tax-Exempt Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Tax-Exempt Bonds, would cause such Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of such quoted term in Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Tax-Exempt Bonds to be “arbitrage bonds”, provided only that the Trustee shall have made such investment pursuant to the written direction or confirmation by an Authorized Representative of the Institution as provided under the Indenture.

(d) The Trustee shall compute the amount in each Account of the Debt Service Reserve Fund on the third Business Day preceding each Debt Service Payment Date. In computing the amount in the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the lower of cost or market value, or, if applicable, par. Notwithstanding anything to the contrary contained in the Indenture or any other Bond Document, the weighted average maturity of investments in the Debt Service Reserve Fund at any time may not exceed ten (10) years as of the date of any purchase of an investment. Upon the occurrence of a deficiency in the Debt Service Reserve Fund, such deficiency shall be restored to the extent required under the Loan Agreement, and investments of the moneys in the Debt Service Reserve Fund throughout shall be valued monthly until the deficiency has been fully restored as provided in the Loan Agreement. If, as a result of a valuation, moneys and investments on deposit in any Account of the Debt Service Reserve Fund exceed the Debt Service Reserve Fund Requirement for such Account of the Debt Service Reserve Fund, such excess shall be transferred by the Trustee to the applicable Subaccount of the Principal Account of the Bond Fund and shall be applied to the principal component of the next upcoming Debt Service Payment, and the Institution’s obligations under the Loan Agreement shall be adjusted accordingly.

(e) The Trustee shall, at the written direction of the Institution, sell at the best price obtainable by the Trustee, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made.

(f) The Trustee shall not be responsible for confirming that the investments being purchased pursuant to written direction by an Authorized Representative of the Institution are Authorized Investments under the Indenture.

(g) The Institution and the Issuer acknowledge that regulations of the Comptroller of the Currency grant the Institution and the Issuer the right to receive brokerage confirmations of security transactions as they occur. The Institution and the Issuer specifically waive such right to notification to the extent permitted by law and acknowledge that they will receive periodic transaction statements that will detail all investment transactions. *(Section 4.12)*

Payments into Debt Service Reserve Fund; Application of Debt Service Reserve Fund.

(a) (i) Upon the issuance, sale and delivery of the Series 2021 Bonds, the Issuer shall transfer to the Trustee for deposit (A) into the Series 2021A Bonds Account of the Debt Service Reserve Fund to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021A Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021A Bonds, (B) into the Series 2021B Bonds Account of the Debt Service Reserve Fund to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021B Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021B Bonds, (C) into the Series 2021C Bonds Account of the Debt Service Reserve Fund to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021C Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021C Bonds, (D) into the Series 2021D Bonds Account of the Debt Service Reserve Fund to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021D Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021D Bonds, and (E) into the Series 2021E Account of the Debt Service Reserve Fund to the extent such moneys are available for such purpose from the proceeds of the sale of the Series 2021E Bonds, an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021E Bonds.

(ii) The Trustee shall deposit into the Accounts of the Debt Service Reserve Fund all payments made by the Institution pursuant to the Indenture and the Loan Agreement.

(b) Reserved.

(c) Moneys and securities held for credit in the Debt Service Reserve Fund shall be transferred by the Trustee to the corresponding Subaccounts of the Interest Account and the Principal Account of the Bond Fund at the times and in the amounts required pursuant to the Indenture, provided if funds on deposit in any Account of the Debt Service Reserve Fund are below any Debt Service Reserve Fund Requirement, all investment income or earnings on amounts held under such Account shall be retained in

such Account of the Debt Service Reserve Fund until such Debt Service Reserve Fund Requirement is met.

(d) Whenever the Trustee shall determine that the moneys and securities in any Account of the Debt Service Reserve Fund will be equal to or in excess of the Redemption Price of all of the Outstanding Bonds of such respective Series of Series 2021 Bonds plus accrued interest to the Redemption Date, the Trustee shall use and apply the amounts on deposit in such Account of the Debt Service Reserve Fund to the redemption of all of such Series of Series 2021 Bonds on the first date thereafter that such Series 2021 Bonds are subject to redemption or pursuant the Indenture.

(e) Any income or interest earned by, or increment to, the Debt Service Reserve Fund shall be transferred by the Trustee and deposited to the related Subaccount of the Interest Account of the Bond Fund with respect to such Series of Bonds and applied to the payment of the interest component of the next upcoming Debt Service Payments with respect to such Series of Bonds, and the Institution's obligations under the Loan Agreement shall be adjusted accordingly.

(f) In order to ensure the maintenance of the Debt Service Reserve Fund Requirement, the Trustee, upon the determination of any deficiency in the Debt Service Reserve Fund, shall make and deliver to the Issuer and the Institution at the intervals required pursuant to the Indenture, a certificate stating the amount required to restore the amount of the Debt Service Reserve Fund to the amount of the Debt Service Reserve Fund Requirement, and the Trustee shall collect such deficiency from the Institution as a special rental payment, as provided in the Loan Agreement.

(g) The money on deposit in the Debt Service Reserve Fund is held solely for the benefit of the holders of the corresponding Series of Series 2021 Bonds, and no portion of the Debt Service Reserve Fund may be used to pay Debt Service Payments on any other Series of Series 2021 Bonds. (*Section 4.13*)

Payments into Liquidity Support Fund, Application of Liquidity Support Fund.

(a) The Trustee shall deposit into the Liquidity Support Fund all amounts transferred from the Entrance Fee Fund in accordance with the Indenture.

(b) The Trustee shall transfer moneys in the Liquidity Support Fund to the Working Capital Fund in an amount needed to maintain \$2,500,000 in the Working Capital Fund after: (1) the Working Capital Fund has been replenished from Initial Entrance Fees to the extent provided in the Indenture the amount on deposit in the Working Capital Fund subsequently falls below \$2,500,000.

(c) The Trustee shall release the amounts on deposit in the Liquidity Support Fund to PCAC in the amounts and at the times set forth in the Liquidity Support Agreement. (*Section 4.14*)

Payments into Working Capital Fund, Application of Working Capital Fund.

(a) The Trustee shall deposit in the Working Capital Fund all amounts transferred from the Entrance Fee Fund pursuant to the Indenture and all amounts transferred to the Trustee from the Liquidity Support Fund as set forth the Indenture.

(b) Moneys in the Working Capital Fund shall be applied by the Trustee at any time at the direction of the Institution for working capital needs of the Institution, including operating expenses, marketing expenses, pre-opening expenses of the Facility, refunding Entrance Fees, and Debt Service Payments, provided that such payments shall only be made upon delivery to the Trustee of a certificate of an Authorized Representative of the Institution stating that the Institution does not have other funds available for the payment of such working capital expenses without regard to any funds held in the Liquidity Support Fund.

(c) When all amounts are released from the Liquidity Support Fund as provided in the Liquidity Support Agreement, the Trustee shall release all funds remaining on deposit in the Working Capital Fund to the Institution free and clear from the lien of this Indenture and shall close the Working Capital Fund. (*Section 4.15*)

Payment to Institution upon Payment of Series 2021 Bonds

Except as otherwise specifically provided herein, after payment in full of the principal or Redemption Price of and interest on all the Series 2021 Bonds (or after provision for the payment thereof has been made in accordance with the Indenture) and after payment in full of the fees, charges and expenses of the Trustee and any Paying Agent and all other amounts required to be paid hereunder, and the fees, charges and expenses of the Issuer and all other amounts required to be paid under the Loan Agreement, all amounts remaining in any fund established pursuant to the Indenture with respect to the Series 2021 Bonds (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the Institution hereunder or under the Loan Agreement shall be paid to the Institution. (*Section 4.16*)

Failure to Present Bonds

Subject to the provisions of the Indenture, in the event any Series 2021 Bond shall not be presented for payment when the principal or Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Series 2021 Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Series 2021 Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Series 2021 Bonds, who shall thereafter be restricted exclusively to such moneys for any claim under the Indenture or on, or with respect to, said Series 2021 Bond. If any Series 2021 Bond shall not be presented for payment within the period of two (2) years following the date when such Series 2021 Bond becomes due, whether by maturity or call for prior redemption or otherwise, the

Trustee shall return to the Institution the funds theretofore held by it for payment of such Series 2021 Bond, and such Series 2021 Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Institution. The Trustee shall, at least sixty (60) days prior to the expiration of such two (2) year period, give notice to any Owner who has not presented any Series 2021 Bond for payment that any moneys held for the payment of any such Series 2021 Bond will be returned as provided in the Indenture at the expiration of such two (2) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to the Indenture. *(Section 5.11)*

Cancellation

All Series 2021 Bonds which have been paid, redeemed, purchased or surrendered shall be canceled and delivered by the Trustee to the Issuer. A copy of the canceled Series 2021 Bond or Series 2021 Bonds or other form of notice of such cancellation shall be delivered to the Institution upon its written request. *(Section 5.12)*

Agreement to Provide Information

The Trustee agrees, whenever requested in writing by the Issuer or the Institution, to provide such information that is known to the Trustee relating to the Series 2021 Bonds as the Issuer or the Institution, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the Institution to make any reports required by any Federal, state or local law or regulation or to request any consent or waiver from the Holders of the Bonds. *(Section 5.14)*

Continuing Disclosure Agreement

Pursuant to the Loan Agreement, the Institution and the Trustee have undertaken responsibility for compliance with, and the Issuer shall have no liability to the Holders of the Series 2021 Bonds or any other Person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement authorized by the Loan Agreement. The Trustee covenants and agrees with the Holders from time to time of the Series 2021 Bonds that it will act as Dissemination Agent under the Continuing Disclosure Agreement, comply with and carry out all of its duties as Dissemination Agent under the Continuing Disclosure Agreement and the Loan Agreement. Notwithstanding any other provision of the Indenture, failure of the Institution or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. The Trustee covenants and agrees to comply with the continuing disclosure requirements as may be applicable to any Series of Additional Bonds issued under the Indenture; provided, however, such requirements are substantially in accordance with the provisions of the Continuing Disclosure Agreement and the Loan Agreement. *(Section 5.15)*

Discharge of Lien

(a) If the Issuer shall pay or cause to be paid to the Owners of any Series of Bonds or of all Outstanding Bonds the principal thereof, Redemption Price and interest thereon, at the times and in the manner stipulated therein and in the Indenture, and if there shall have been paid all fees, charges and expenses required to be paid under the Indenture, then the lien on the Trust Estate created for the benefit of the Owners of such Series of Bonds so paid shall be released, discharged and satisfied. In such event, except as otherwise specifically provided in the Indenture, the Trustee and any additional Paying Agent shall pay or deliver to the Institution all moneys or securities held by it pursuant to the Indenture which are not required for the payment of such Series of Bonds. The Issuer may pay or cause to be paid any Series of Bonds without at the same time paying or causing to be paid all other Series of Outstanding Bonds. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under the Indenture as security for the benefit of the Owners of any Series of Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Series 2021 Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Series 2021 Bonds shall have been made in accordance with the Indenture, the Trustee and the Issuer shall promptly execute and deliver to the Institution such written certificates, instruments and documents as the Institution shall provide to cause the lien of the Indenture upon the Trust Estate to be discharged and canceled.

(c) Notwithstanding the fact that the lien of the Indenture upon the Trust Estate may have been discharged and canceled in accordance with the Indenture, the Indenture and the rights granted and duties imposed, to the extent not inconsistent with the fact that the lien upon the Trust Estate may have been discharged and canceled, shall nevertheless continue and subsist until the principal or Redemption Price of and interest on all of the Series 2021 Bonds shall have been fully paid or the Trustee shall have returned to the Institution pursuant to the Indenture all funds theretofore held by the Trustee for payment of any Series 2021 Bonds not theretofore presented for payment. *(Section 7.01)*

Discharge of Indenture

(a) Any Outstanding Series 2021 Bond or installments of interest with respect thereto shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, the Indenture if: (i) there shall have been deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with the Indenture, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of such Bonds when due or to redeem such Bonds on the earliest possible redemption date thereof at the Redemption Price specified the Indenture, (ii) in the event such Series 2021 Bonds are to be redeemed prior to maturity in accordance with the Indenture or in a Supplemental Indenture with respect to a Series of Additional Bonds, all action required

by the provisions of the Indenture to redeem the Series 2021 Bonds shall have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with the Indenture or in a Supplemental Indenture with respect to such Series of Additional Bonds shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses of the Trustee and of any additional Paying Agent with respect to the Series of Bonds of which the Bond is a part, (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the Series of Bonds of which such Bond is a part, and (v) all other payments required to be made under the Loan Agreement and the Indenture or any Supplemental Indenture with respect to such Series of Bonds of which the Bond is a part shall have been made or provided for.

(b) For the purpose of the Indenture, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose an amount of cash and/or a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Bonds, or (ii) the first date following the date of computation on which such Bonds may be redeemed pursuant to the Indenture or the provisions of a Supplemental Indenture, as applicable (whichever may first occur), which, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the Redemption Price, due on such Series of Bonds, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of any Series of Bonds or of all Outstanding Bonds in accordance with the Indenture, the Trustee shall hold in trust, for the benefit of the Owners of such Series of Bonds, all such cash and/or Government Obligations, shall make no other or different investment of such cash and/or Government Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds, and prior to any defeasance becoming effective as provided in the Indenture, there shall have been delivered to the Issuer and to the Trustee a verification required in subparagraph (d) below.

(d) Prior to any defeasance becoming effective as provided in this summarized section there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Bond Counsel to the effect that interest on any Series of Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from a verification agent or an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Government Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Payments on, interest on, and redemption premium, if any, of the Series of Bonds to be defeased. (*Section 7.02*)

Lien Law Section 73 Covenant

The Institution, for itself and as the agent of the Issuer, covenants to the Issuer and to the Trustee, as a third-party beneficiary of the Indenture, that the Institution will receive advances of monies under the Bond Documents and will hold the right to receive such advances as trust funds to be first applied to the payment of trust claims as defined in Section 71 of the Lien Law of the State, and that the Institution will apply the same to such payments only, before using any part of such advances for any other purpose. *(Section 7.03)*

Events of Default

The following shall be “Events of Default” under the Indenture:

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

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

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

(d) The occurrence and continuation of an Event of Default under the Mortgages; or

(e) The occurrence and continuation of an Event of Default under the Master Indenture or any Obligation issued thereunder. *(Section 8.01)*

Acceleration; Annulment of Acceleration

(a) Upon the occurrence and continuation of an Event of Default under the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds, all Series of Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of

Default, the Trustee may, or upon the direction of not less than fifty-one percent (51%) of the principal amount of all of the Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Institution, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the respective Series of Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on all of the Bonds Outstanding an amount equal to the total principal amount of all such Bonds Outstanding, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the Institution on behalf of the Institution all unpaid Debt Service Payments payable by the Institution under the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds to be immediately due and payable. Upon such declaration the same shall become and be immediately due and payable, and the Trustee shall immediately first apply any moneys on deposit in the Principal Account and Interest Account, as appropriate, of the Bond Fund.

(b) At any time after the principal of the Bonds Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any Series of Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding Series of Bonds; (ii) sufficient moneys shall be available to pay the amounts described in the Indenture; (iii) all other amounts then payable by the Issuer under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Series of Bonds then due only because of such declaration) shall have been remedied. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon. *(Section 8.02)*

Enforcement of Remedies

(a) Upon the occurrence and continuance of any Event of Default, and upon being provided with security or indemnity reasonably satisfactory to the Trustee against any liability or expense which might thereby be incurred, the Trustee shall proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021 Bonds, any Series of Additional Bonds and the Loan Agreement and/or any New Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, Redemption Price, interest or otherwise under any of the provisions of the Series 2021 Bonds, the Bond

Documents, the Obligations under the Master Indenture and any Series of Additional Bonds and the respective any bond documents entered into in connection with any Series of Additional Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of any Series of Bonds.

(c) Regardless of the happening of an Event of Default, the Trustee shall have the right to institute and maintain such suits and proceedings as it may be advised by such Owners of any Series of Bonds shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture or of any resolution or supplemental indenture authorizing any Series of Additional Bonds, or (ii) to preserve or protect the interests of the Owners of any Series of Bonds, provided that such request is in accordance with law and the provisions of the Indenture and is not unduly prejudicial to the interests of the Owners of any Series of Bonds not making such request.

(d) When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, the expenses and the compensation for the services shall constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. *(Section 8.03)*

Appointment of Receivers

Upon the occurrence and continuance of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or the Owners of any Series of Bonds under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer. *(Section 8.04)*

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after paying the reasonable fees and expenses of the Trustee, be deposited in the Bond Fund.

(b) All moneys held in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all the Bonds Outstanding shall have become due or shall have been declared due and payable,

FIRST - To the payment of all installments of interest then due, in the order of the maturity of the installments of such interest on all Bonds Outstanding and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or preference; and

SECOND - To the payment of the unpaid principal or Redemption Price, if any, of any Series Bonds or principal installments which shall have become due (other than any Series of Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in order of their due dates, with interest on such Series of Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Series of Bonds became due and, if the amount available shall not be sufficient to pay in full such Series of Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD - To the payment of the principal or Redemption Price of and interest on such Series of Bonds as the same become due and payable; and

(ii) If the principal of all such Series of Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all such Series of Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series of Bond over any other Series of Bonds, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(iii) If the principal of the Series of Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to the Indenture, the moneys shall be applied in accordance with the provisions of the Indenture.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of the Indenture, such moneys shall be applied at such time or times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. On the date fixed by the Trustee for application of such moneys, interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date. *(Section 8.05)*

Remedies Vested in Trustee

Except as otherwise provided in the Indenture, all rights of action (including the right to file proof of claim) under the Indenture or under any of the Series of Bonds may be enforced by the Trustee without possession of any of such Series of Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the

necessity of joining as plaintiffs or defendants any Owners of any Series of Bonds. Subject to the provisions of the Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds. *(Section 8.06)*

Remedies Not Exclusive

No remedy conferred upon or reserved to the Trustee or to the Owners of any Series of Bonds by the Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners of any Series of Bonds under the Indenture or now or hereafter existing at law or in equity or by statute. *(Section 8.07)*

Removal of Trustee

The Trustee may be removed at any time, with thirty days' written notice, without cause by (a) an instrument which (i) is signed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, (ii) specifies the date on which such removal shall take effect and the name and address of the successor Trustee, and (iii) is delivered to the Trustee, the Issuer and the Institution or (b) by the Issuer, so long as no Event of Default has occurred and is continuing under the Loan Agreement. Notice of any such removal shall be given, by first class mail, to each Owner of Bonds then Outstanding not less than sixty (60) days before such removal is to take effect as stated in such instrument. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of the Indenture or the Loan Agreement, by any court of competent jurisdiction upon the application by the Issuer, the Institution or the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding. *(Section 9.07)*.

Appointment of Successor Trustee by Issuer; Temporary Trustee

(a) In case the Trustee shall resign under the Indenture, or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee shall be appointed by the Issuer by an instrument signed by the Issuer and delivered to such successor Trustee, the predecessor Trustee and the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of each Series of Bonds then Outstanding within thirty (30) days after delivery by the Issuer of the instrument appointing such successor Trustee.

(b) In case of the occurrence of any event affecting the Trustee hereunder described in subsection (a) of this summarized section, the Issuer, by an instrument signed by the Issuer and delivered to such successor Trustee, the predecessor Trustee and the Institution, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Issuer in the manner provided in subsection (a) of this summarized section. Such instrument appointing such successor Trustee by the Issuer

shall be delivered to the successor Trustee so appointed, to the predecessor Trustee and to the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of Bonds then Outstanding within thirty (30) days after delivery to the successor Trustee of the instrument appointing such successor Trustee. Any such temporary Trustee appointed by the Issuer shall immediately and without further act be superseded by any successor Trustee appointed by the Issuer.

(c) Any Trustee appointed pursuant to the provisions of this summarized section shall be a national banking association, trust company or bank which is authorized to exercise the corporate trust powers intended to be conferred upon it by the Indenture and has combined capital and surplus of at least \$50,000,000, or any other corporate or individual trustee duly authorized and empowered to act as Trustee under the Indenture and reasonably acceptable to the Institution. *(Section 9.08)*.

Supplemental Indentures Not Requiring Consent of Owners

(a) Without the consent of or notice to any of the Owners of the Bonds issued under the Indenture but subject to the Indenture, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in the Indenture;
- (ii) To cure, correct or supplement any defective provision of the Indenture in such manner as shall not be inconsistent with the Indenture and shall not impair the security of the Indenture nor adversely affect the Owners;
- (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee, but only with the prior written consent of the Institution not unreasonably to be withheld;
- (iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer;
- (v) To identify more precisely the Trust Estate;
- (vi) To subject to the lien of the Indenture additional revenues, receipts, Property or collateral, but only with the prior written consent of the Institution;
- (vii) To release Property from the lien of the Indenture or to grant or release easements to the extent permitted by the Indenture;

(viii) To make any other changes in the Indenture which do not prejudice the interests of the Trustee, the Institution or the Owners;

(ix) To make any change which, in the opinion of Bond Counsel, is necessary or desirable in order to preserve the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes;

(x) To make any change requested by a Rating Agency in connection with obtaining or maintaining a rating on any Series of Bonds; or

(xi) To issue any Series of Additional Bonds in accordance with the provisions of the Indenture.

(b) In connection with the execution and delivery of any Supplemental Indenture to be entered into under the provisions of the Indenture, the Trustee shall receive and may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions. *(Section 10.01)*

Supplemental Indentures Requiring Consent of Owners

(a) Except as provided in the Indenture, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of all Bonds then Outstanding (or if less than all Series of Bonds then Outstanding are affected by such Supplemental Indenture, then the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series of Bonds so affected) shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture or in the Series 2021 Bonds or any other Series of Bonds issued under the Indenture; provided, however, that nothing contained in the Indenture shall permit:

(i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Series of Bonds or a reduction in the principal amount or Redemption Price of any Outstanding Series of Bonds or the rate of interest thereon, without the consent of the Owners of one hundred percent (100%) of the aggregate principal amount of such Series of Bonds; except during a period in which an Event of Default has occurred and is continuing such change as described in this subparagraph (a) may be made with the consent of the Owners of not less than eighty percent (80%) of the aggregate principal amount of such Series of Bonds; or; or

(ii) The creation of a lien upon the Trust Estate ranking prior to or on a parity with the lien created by the Indenture, without the consent of the Owners of all Outstanding Series of Bonds; or

(iii) A preference or priority of any Bond or Series of Bonds over any other such Bond or Series of Bonds, without the consent of the Owners of all such Outstanding Bonds so affected; or

(iv) A reduction in the aggregate principal amount of any Bonds required for consent to such Supplemental Indenture, without the consent of the Owners of all Outstanding Series of Bonds; or

(b) If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of the Indenture, the Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice shall briefly summarize the contents of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

(c) The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by the Indenture.

(d) If, within such period after the mailing of the notice required by the Indenture as the Issuer shall prescribe with the approval of the Trustee, the Issuer shall deliver to the Trustee an instrument or instruments executed by the Owners of not less than fifty-one percent (51%), eighty percent (80%), or one hundred percent (100%), as the case may be, in aggregate principal amount of Bonds then Outstanding, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee shall execute such Supplemental Indenture.

(e) If the Owners of not less than fifty-one percent (51%) or eighty percent (80%), as the case may be, 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 provided in the Indenture, no Owner of Bonds shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(f) The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of requisite Owner consent thereto comply with the provisions of the Indenture. (*Section 10.02*)

Consent of Institution to Supplemental Indentures

Notwithstanding anything contained in the Indenture to the contrary, no Supplemental Indenture which affects any rights or obligations of the Institution shall become effective unless and until the Institution shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee shall be entitled to

receive and may rely upon the opinion of Independent Counsel as conclusive evidence of whether or not a Supplemental Indenture affects any rights of the Institution within the meaning of, and for the purposes of, the Indenture. The Trustee shall deliver to the Institution a copy of all executed Supplemental Indentures. *(Section 10.03)*

Condition Precedent to Supplemental Indentures

Notwithstanding the foregoing, the execution and delivery of a Supplemental Indenture in accordance with the Indenture shall be conditioned upon the delivery to the Trustee of an opinion of Bond Counsel that the execution and delivery of such Supplemental Indenture will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes. *(Section 10.05)*

Amendments to the Loan Agreement Not Requiring Consent of Owners

Without the consent of or notice to any of the Owners, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of the Loan Agreement or any New Loan Agreement as may be required (a) by the provisions thereof or of the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, (c) in connection with the description of the Series 2021 Project and the substitution, addition or removal of a portion of the Facility as provided in the Loan Agreement and the Indenture, (d) in connection with additional real estate which is to become part of the Facility, (e) in connection with any other change therein which, in the sole judgment of the Trustee, does not adversely affect the interests of the Trustee or the Owners of the Bonds, (f) to make any change which, in the opinion of Bond Counsel, is necessary or desirable in order to preserve the exclusion of interest on the Tax-Exempt Series 2021 Bonds from gross income for federal income tax purposes, (g) to make any change requested by a Rating Agency in connection with obtaining or maintaining a rating on any Series of Bonds, or (h) in connection with the issuance of any Series of Additional Bonds in accordance with the Indenture. The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification complies with the provisions of the Indenture. *(Section 11.01)*

Amendments to the Loan Agreement Requiring Consent of Owners

Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer, the Institution, nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds at the time Outstanding procured and given in the manner set forth under the heading “Supplemental Indentures Requiring Consent of Owners”; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Owners of all the Bonds then Outstanding, except during a period in which an Event of Default has occurred and is continuing such change as described in this section may be made with the consent of the Owners of not less than eighty percent (80%) of the aggregate principal amount of such

Series of Bonds. The Trustee shall be entitled to receive and may rely on an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification and the evidence of requisite Owner consent comply with the requirements of the Indenture. *(Section 11.02)*

Amendments of Tax Regulatory Agreement Not Requiring Consent of Owners

Without the consent of or notice to any of the Owners, the Issuer and the Trustee may consent to any amendment, change or modification of the Tax Regulatory Agreement as may be required (a) for the purpose of curing any ambiguity or formal defect or omission, (b) to facilitate the issuance of Additional Bonds, (c) in connection with any other change therein which, in any case, in the sole judgment of the Trustee does not adversely affect the interests of the Trustee or the Owners of the Bonds, or (d) any other change required to maintain the tax exemption on the Tax-Exempt Series 2021 Bonds. The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification complies with the provisions of the Indenture. *(Section 11.03)*

Amendments of Tax Regulatory Agreement Requiring Consent of Owners

Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall enter into any amendment, change or modification of the Tax Regulatory Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the applicable Series of Bonds at the time Outstanding procured and given in the manner set forth in the Indenture. The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification and the evidence of requisite Owner consent comply with the provisions of the Indenture. *(Section 11.04)*

Condition Precedent to Amendments of Tax Regulatory Agreement or Loan Agreement

Notwithstanding the foregoing, the execution and delivery of an amendment to the Loan Agreement or the Tax Regulatory Agreement in accordance with the Indenture shall be conditioned upon the delivery to the Trustee of an opinion of Bond Counsel that the execution and delivery of such amendment will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Series 2021 Bonds for federal tax purposes. *(Section 11.05)*

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Summary of Certain Provisions of the Loan Agreement

The following is a summary of certain provisions of the Loan Agreement. Certain provisions of the Loan Agreement are also described in the Preliminary Official Statement. This summary does not purport to be complete and reference is made to the Loan Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Loan Agreement and are included for ease of reference only.

Loan of Series 2021 Bond Proceeds

The Issuer agrees to loan the Series 2021 Bond Proceeds to the Institution in accordance with the provisions of the Loan Agreement. The Bond Proceeds shall be disbursed to the Institution in accordance with the provisions of the Loan Agreement, the Indenture and the Tax Regulatory Agreement. *(Section 5.1)*

Financing of Series 2021 Project

(a) The Institution agrees, and covenants and warrants to the Issuer, it has or will construct, equip and furnish the Facility materially in accordance with the Plans and Specifications.

(b) The Institution may revise the Plans and Specifications from time to time, provided, however, if such revision shall include a material change to the Facility so as to alter its intended use or to materially increase or decrease the size thereof, the Institution shall first obtain the written approval of the Issuer, which approval shall not be unreasonably withheld, denied, conditioned, or delayed but may be subject to such conditions as the Issuer may deem appropriate.

(c) Reserved.

(d) The Institution shall pay all fees, costs and expenses incurred in the construction of the Improvements and the acquisition and installation of the Equipment from funds made available therefor in accordance with the Loan Agreement, and shall ask, demand, sue for, levy, recover and receive all such sums or money, debts, dues and other demands whatsoever that may be due, owing and payable to the Institution under the terms of any contract, order, receipt, or writing in connection with the construction and completion of the Improvements and the acquisition and installation of the Equipment, and to enforce the provisions of any contract, agreement, obligation, bond or other performance security.

(e) Reserved.

(f) The Institution shall comply with all provisions of the Labor Law, the Executive Law and the Civil Rights Law of the State applicable to the construction, equipping and furnishing of the Facility and shall include in all construction contracts all provisions required to be inserted therein by such provisions. This subsection does not

create any obligations or duties not created by applicable law outside of the terms of the Loan Agreement. *(Section 4.1)*

Issuance of the Series 2021 Bonds; Disbursement of Bond Proceeds

In order to provide funds for payment of the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Series 2021 Bonds to be delivered on the terms set forth in the Indenture. Bond Proceeds shall be disbursed in accordance with the provisions of the Indenture and the Loan Agreement. *(Section 4.2)*

Application of Bond Proceeds

Except as provided in the Loan Agreement, the Bond Proceeds, upon the written direction of an Authorized Representative of the Institution and on the conditions provided for in the Indenture, shall be applied to pay only the following costs and items of expense paid by or on behalf of the Issuer on or after the Closing Date, except as may otherwise be provided under the Tax Regulatory Agreement or included in a resolution of the Board of Directors of the Institution indicating an intent to reimburse the Institution for costs of the Series 2021 Project incurred prior to that date:

(i) all Costs of the Series 2021 Project, including, without limitation, amounts necessary to construct, equip, and furnish the Facility; to pay capitalized interest on the Series 2021 Bonds, to fund the Debt Service Reserve Fund and the Working Capital Reserve Fund and to pay certain initial working capital expenses of the Institution,

(ii) all costs of redeeming the Series 2018 BANs, including the payment of principal and interest accreted to the redemption date thereof, and any redemption premium, if applicable,

(iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any documents that the Issuer or the Trustee may deem desirable in order to protect or perfect any security interest contemplated by the Indenture,

(iv) all Costs of Issuance of the Series 2021 Bonds and the legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Series 2021 Bonds and the Bond Documents and all other documents in connection herewith or therewith, and with any other transaction contemplated by this Loan Agreement or the Indenture,

(v) any administrative fee and fee for services of the Issuer, or

(vi) reimbursement to the Institution for any of the above-enumerated costs and expenses. *(Section 4.3)*

Certificates of Completion

To establish the Completion Date, the Institution shall deliver to the Issuer and the Trustee a certificate signed by an Authorized Representative of the Institution (a) stating that (i) the costs of the Series 2021 Project have been paid, and (ii) except for amounts retained in the Project Fund for the payment of incurred, but unpaid, items of the Costs of the Series 2021 Project, the payment for all labor, services, materials and supplies used in such financing and refinancing has been made or provided for, and (b) such other certificates as may be satisfactory to the Trustee. The Institution agrees to complete the construction, equipping, and furnishing of the Facility in accordance with the Plans and Specifications, on or before October 31, 2024, unless such date has been extended by the Issuer. The Issuer shall not extend such Completion Date unless the Institution has caused to be delivered to the Issuer and the Trustee an acceptable opinion of Bond Counsel stating that the extension of the Completion Date will not adversely affect the exclusion of interest on the Bonds, from gross income for Federal income tax purposes. Such certificate shall further certify as to the determination of the Rebate Amount as provided in the Tax Regulatory Agreement and the Indenture and shall direct the Trustee to make any transfer to, or make payments of amounts for deposit in, the Rebate Fund. (*Series 4.4*)

Completion by Institution

(a) In the event that the Net Proceeds of the Series 2021 Bonds are not sufficient to pay in full all Costs of the Series 2021 Project in accordance with the Plans and Specifications, the Institution agrees to pay all such sums as may be in excess of the Net Proceeds of the Series 2021 Bonds. The Institution shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's security interests contemplated by the Indenture, the Mortgages and the Note.

(b) The Institution shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owners of any of the Series 2021 Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the Institution under the Loan Agreement. (*Section 4.5*)

Loan Payments and Other Amounts Payable

(a) All payments required pursuant to the Loan Agreement, shall be referred to as "Loan Payments". The Institution's obligation to pay such Loan Payments shall be evidenced by the Note, substantially in the form attached to the Loan Agreement. The Institution shall pay to the Issuer on the Closing Date the Issuer's administrative fee in the amount of \$_____ (equal to the administrative fee of \$_____, plus \$_____ (total costs related to the public hearing)).

(b) (i) The Institution shall pay directly to the Trustee in immediately available funds as basic Loan Payments for the Project five (5) Business Days before the first day of each month, commencing on the fifth (5th) Business Day before the first day

of the sixth (6th) month immediately preceding the date on which interest on the Series 2021 Bonds becomes due, one-sixth (1/6) of the amount equal to the interest component of the next Debt Service Payment becoming due and payable on the Series 2021A Bonds on the immediately succeeding Debt Service Payment Date for such Series 2021A Bonds; and one-third (1/3) of the amount equal to the interest component of the next Debt Service Payment becoming due and payable on the Entrance Fee Redemption Bonds on the immediately succeeding Debt Service Payment Date for such Entrance Fee Redemption Bonds; provided, however, that, if with respect to such Series 2021 Bonds there are more or less than six (6) or three (3) such payment dates, as applicable prior to the first interest payment on such Series 2021 Bonds, on each payment date prior to such interest payment date the Institution shall pay with respect to such Series 2021 Bonds an amount equal to the interest coming due on such Series 2021 Bonds on such interest payment date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to the first interest payment date on such Series 2021 Bonds. To the extent that the Trustee has transferred amounts on deposit in the Capitalized Interest Account of the Project for deposit in the Interest Account of the Bond Fund, the Institution shall receive a credit against such amounts due and owing under the Loan Agreement equal to such amounts.

(ii) The Institution shall also pay directly to the Trustee in immediately available funds as basic Loan Payments five (5) Business Days before the first day of July immediately preceding the July 1 on which an annual principal and/or Sinking Fund Payment of the Series 2021A Bonds becomes due, one-twelfth (1/12) of the principal and/or Sinking Fund Payment on such Series 2021A Bonds coming due on such Debt Service Payment Date; provided, however, that if with respect to the Series 2021A Bonds there are less than twelve (12) such payment dates prior to the date (or immediately succeeding interest payment date) on which principal or Sinking Fund Installments come due on such Series 2021A Bonds, on each payment date prior to such date (or interest payment date) the Institution shall pay with respect to such Series 2021A Bonds an amount equal to the principal and/or Sinking Fund Payment of such Series 2021A Bonds coming due on such date (or interest payment date) multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to such date; provided further that, the Institution shall receive credit against such amounts due and owing under the Loan Agreement for any amounts on deposit in the Bond Fund for the payment of principal and interest on the Series 2021A Bonds.

(c) In addition to the Loan Payments pursuant paragraph (a) above, throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the reasonable expenses of the Issuer and the members thereof incurred (i) by reason of the Issuer's financing of the Series 2021 Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under this Loan Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer.

(d) In addition, the Institution shall pay as additional Loan Payments within fifteen (15) days after receipt of a written demand therefor the Ordinary Expenses and Extraordinary Expenses payable to the Trustee pursuant to and under the Indenture.

(e) If, after making a valuation of the Debt Service Reserve Fund as set forth in the Indenture, the Trustee notifies the Institution that the amount on deposit in any Account of the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee, in addition to the amounts required under subparagraph (b) above), as a special loan payment, on the first day of each January, April, July and October following such notification, an amount equal to one-fourth (1/4) of the total amount necessary to restore the balance in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

(f) The Institution, under the provisions of the Loan Agreement, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Institution shall fail timely to make any payment required in subparagraph (b) above, the Institution shall pay the same together with all late payment penalties specified in the Series 2021 Bonds. In the event the Institution shall fail timely to make any payment required in subparagraph (a) or (c) above, the Institution shall pay the same together with interest on such payment at the per annum rate of ten percent (10%), but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made. (*Section 5.3*)

Tender of Entrance Fees.

To the extent Initial Entrance Fees are released from escrow while any Entrance Fee Redemption Bonds are Outstanding, Initial Entrance Fees received by the Institution shall be tendered, within five (5) Business Days, to the Trustee and deposited by the Trustee in the Entrance Fee Fund under the Indenture. The Institution shall deposit all Initial Entrance Fees into the Entrance Fee Fund until the Entrance Fee Redemption Bonds have been redeemed in full, at which time the Institution shall no longer be required to deposit Initial Entrance Fees in the Entrance Fee Fund. Moneys in the Entrance Fee Fund shall be applied in the following order of priority:

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

(2) Second, to the Liquidity Support Fund in an aggregate amount not to exceed \$10,000,000;

(3) Third, to the Working Capital Fund to pay for Costs of the Series 2021 Project associated with working capital expenses until the amount transferred thereto, including prior transfers, equals \$10,000,000;

(4) Fourth, if after the Working Capital Fund is fully funded from Initial Entrance Fees in the amount of \$10,000,000, as set forth in the Indenture, the amount on deposit in the Working Capital Fund falls below \$1,000,000, additional Initial Entrance Fees shall be deposited to the Working Capital Fund in an amount up to \$5,000,000;

(5) Fifth, to the applicable Account of the Debt Service Reserve Fund to make up for any deficiency with respect to any Debt Service Reserve Fund Requirement, provided if there is a deficiency in more than one of the Accounts of the Debt Service Reserve Fund, then Initial Entrance Fees shall be applied to each deficient Account pro rata until all deficiencies are cured;

(6) Sixth, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021E Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(7) Seventh, after the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021D Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(8) Eighth, after the Series 2021D Bonds and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021C Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(9) Ninth, after the Series 2021C Bonds, the Series 2021D Bonds, and the Series 2021E Bonds have been redeemed in full, to the Special Redemption Fund to be used to make Entrance Fee Redemption payments and then to redeem Series 2021B Bonds on each Entrance Fee Redemption Date whenever the amount of Initial Entrance Fees transferred to the Special Redemption Fund is at least \$25,000;

(10) Tenth, after the Entrance Fee Redemption Bonds have been redeemed in full, all remaining Initial Entrance Fees shall be paid to the Institution and the Entrance Fee Fund shall be closed. (*Section 5.4*)

Obligations of Institution Under the Loan Agreement Unconditional

The obligations of the Institution to make the payments required in the Loan Agreement, and to perform and observe any and all of the other covenants and agreements on its part contained in the Loan Agreement, shall be a general obligation of the Institution, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Issuer. The Institution agrees it will not (i) suspend, discontinue or abate any payment required under

the Loan Agreement, (ii) fail to observe any of its other covenants or agreements in the Loan Agreement, or (iii) terminate the Loan Agreement for any cause whatsoever unless and until the Series 2021 Bonds, including premium, if any, and interest thereon, have been paid or provided for in the Bond Documents.

Subject to the foregoing provisions, nothing contained in the Loan Agreement shall be construed to release the Issuer from the performance of any of the agreements on its part contained in the Loan Agreement or to affect the right of the Institution to seek reimbursement, and in the event the Issuer should fail to perform any such agreement, the Institution may institute such separate action against the Issuer as the Institution may deem necessary to compel performance or recover damages for non-performance. *(Section 5.5)*

Payment of Additional Moneys in Prepayment of Series 2021 Bonds

In addition to any other moneys required or permitted to be paid pursuant to the Loan Agreement, the Institution may, subject to the terms of the Indenture, pay moneys to the Trustee (i) to be applied as the prepayment of amounts to become due and payable by the Institution pursuant to the Loan Agreement and the Promissory Note, or (ii) to be used for the redemption or prepayment of any Series 2021 Bonds, including a purchase in lieu of redemption that the Institution may direct pursuant to the terms of the Indenture, at such time or times and on such terms and conditions as is provided in such Series 2021 Bonds and in the Indenture. The Institution shall notify the Issuer and the Trustee in writing that any such payment shall be applied as provided in the Loan Agreement. *(Section 5.6)*

Rights and Obligations of the Institution upon Prepayment of Series 2021 Bonds

In the event the Series 2021 Bonds shall have been paid in full prior to the termination of the Loan Agreement, or provision for such payment shall have been made in accordance with the Indenture, the Issuer, at the sole cost of the Institution, shall promptly obtain and record or file appropriate terminations, discharges or releases of any security interest relating to the Facility or under the Indenture. *(Section 5.7)*

Maintenance and Modifications of Facility by Institution

(a) The Institution shall not abandon the Facility for a period of thirty (30) consecutive days or more or cause or permit any waste to the Improvements. During the Loan Term, the Institution shall not remove any part of the Facility outside of the jurisdiction of the Issuer and shall (i) keep the Facility in as reasonably safe condition as their operations shall permit; (ii) make all reasonably necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Facility in a commercially reasonable manner.

(b) Without the consent of the Issuer, the Institution, from time to time, may make any material structural additions, modifications or improvements to the Facility or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Facility, (ii) such actions do not materially change the nature of the Facility, and

(iii) such actions do not materially impair the use of the Facility or materially decrease their value. All such additions, modifications or improvements made by the Institution shall become a part of the Facility. *(Section 6.1)*

Insurance Required

At all times throughout the Loan Term, the Institution at its sole cost and expense shall maintain or cause to be maintained insurance covering the Facility against such risks and for such amounts as are customarily insured against by facilities of like size and type in the same geographic region and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Institution, but in no event less than the principal amount of the Series 2021 Bonds unless the principal amount of the Series 2021 Bonds exceeds the maximum insurable amounts of the Improvements.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Institution is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Institution who are located at or assigned to the Facility. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the Institution first occupy the Facility.

(c) Insurance protecting the Issuer, the Trustee, and the Institution against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Institution under the Loan Agreement) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Trustee and the Institution against any loss or liability or damage for personal injury, including bodily injury or death, or property damage.

(d) During any Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Institution shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations
Products and Completed Operations
Owners Protective
Contractors Protective
Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess “umbrella” liability providing liability insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

(Section 6.4)

Additional Provisions Respecting Insurance

(a) All insurance required by the Loan Agreement shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and selected by the entity required to procure the same. The company issuing the policies required by the Loan Agreement shall be rated “A” or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects (including the location of such companies in the same or similar geographic region) to those in which the procuring entity is engaged. All policies evidencing the insurance required by the Loan Agreement shall provide for payment to the Institution of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by the Loan Agreement shall provide for at least thirty (30) days’ prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Trustee; provided, however, such notice shall be at least ten (10) days in the case of non-payment of premium). The policy evidencing the insurance required by the Loan Agreement shall name the Issuer, the Trustee and the Master Trustee as additional insureds. All policies evidencing the insurance required by the Loan Agreement shall name the Issuer, the Trustee, the Master Trustee and the Institution as additional insureds.

Upon request of the Master Trustee, the Institution will assign and deliver to the Master Trustee the policies of insurance required under the Loan Agreement, so and in such manner and form that the Master Trustee shall at all times, upon such request and until the payment in full of the Series 2021 Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2021 Obligations. The policies under the Loan Agreement shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by the Loan Agreement shall be deposited with the Master Trustee on or before the Closing Date. A copy of the policy (or certificate and binder) of insurance required by the Loan Agreement shall be delivered to the Issuer on or before the Closing Date. A copy of the policy (or certificate or binder of insurance is required by the Loan Agreement shall be delivered to the Issuer on or before the earlier of the Closing Date or the commencement of the construction or renovation, if later. The Institution shall deliver to the Issuer and the Trustee before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by the Loan Agreement and complying with the additional requirements of the Loan Agreement. Prior to the expiration of each such policy or policies, the Institution shall furnish to the Issuer and the Trustee a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by the Loan Agreement. The Institution shall provide such further information with respect to the insurance coverage required by the Loan Agreement as the Issuer and the Trustee may from time to time reasonably require. *(Section 6.5)*

Application of Net Proceeds of Insurance

The Net Proceeds of the insurance carried pursuant to the provisions of the Loan Agreement shall be applied as follows: (i) the Net Proceeds of the insurance required by the Loan Agreement shall be applied as provided in the Loan Agreement, and (ii) the Net Proceeds of the insurance required by the Loan Agreement shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. *(Section 6.6)*

Damage or Destruction of the Facility

(a) If any portion of the Facility shall be damaged or destroyed (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or any portion thereof; and

(ii) there shall be no abatement or reduction in the Loan Payments or other amounts payable by the Institution under the Loan Agreement (whether or not the Facility or any portion thereof is replaced, repaired, rebuilt, restored or relocated); and

(iii) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Trustee, and deposited in the Renewal Fund and, except as otherwise provided in the Loan Agreement, and subject to the Loan Agreement, the Institution shall at its option either (A) replace, repair, rebuild, restore or relocate the Facility or the portion thereof, or (B) direct the Trustee to redeem a principal amount of the Series 2021 Bonds equal to such Net Proceeds in accordance with the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in the Indenture to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the exclusion of the interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected; and

(iii) the Facility will be subject to no Liens (unless contested or bonded as set forth in the Loan Agreement), other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the Institution shall nonetheless complete the work and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to the Loan Agreement, whether or not requiring the expenditure of the Institution's own money, shall automatically become a part of the Facility as if the same were specifically described in the Loan Agreement.

(e) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, be applied in accordance with the provisions of the Indenture and the Tax Regulatory Agreement.

(f) If the Institution shall exercise its option to terminate the Loan Agreement pursuant to the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement. If an Event of Default under the Loan Agreement shall have occurred and is continuing and the Trustee shall have exercised its remedies under the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid the Loan Agreement.

(g) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any policies of insurance required by the Loan Agreement on its own behalf. *(Section 7.1)*

Condemnation

(a) If title to or use of the Facility or any portion thereof comprising a portion of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate such Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility (the “**Substitute Facility**”); and

(ii) there shall be no abatement or reduction in the amounts payable by the Institution under the Loan Agreement (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated or the Substitute Facility acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Institution and, except as otherwise provided in the Loan Agreement, the Institution shall either:

(A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Facility or acquire the Substitute Facility, or

(B) redeem an amount of Series 2021 Bonds equal to the Net Proceeds in accordance with the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility or acquires a Substitute Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in the Indenture to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations, relocations or acquisitions of the Substitute Facility shall be subject to the following conditions:

(i) the Facility or the Substitute Facility shall be in substantially the same condition and value as an operating entity as existed prior to the condemnation;

(ii) the exclusion of the interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) the Facility or the Substitute Facility will be subject to no Liens (unless contested or bonded as set forth in the Loan Agreement), other than Permitted Encumbrances; and

(iv) any other conditions the Trustee may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration, relocation or acquisition of a Substitute Facility, the Institution shall nonetheless complete the work or the acquisition and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration, relocations and such acquisition of the Substitute Facility made pursuant to the Loan Agreement, whether or not requiring the expenditure of the Institution's own money, shall automatically become a part of the Facility as if the same were specifically described in the Loan Agreement.

(e) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation of the Substitute Facility shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, be applied in accordance with the provisions of the Indenture and the Tax Regulatory Agreement.

(f) If the Institution shall exercise its option to terminate the Loan Agreement pursuant to the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement. If any Event of Default under the Loan Agreement shall have occurred and is continuing and the Trustee shall have exercised its remedies under the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement.

(g) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any Condemnation proceedings on its own behalf. (*Section 7.2*)

Hold Harmless Provisions

(a) The Institution agrees that the Issuer, the Trustee and each Paying Agent shall not be liable for and agrees to defend, indemnify, release and hold the Issuer, the Trustee and each Paying Agent harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, or (ii) liability arising from or expense incurred in connection with the Issuer's financing of the Series 2021 Project, including without limiting the generality of the foregoing, all claims arising from the breach by the Institution of any of its covenants contained in the Loan Agreement and all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Trustee or any Paying Agent are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Issuer, the Trustee or any Paying Agent or any of their respective members, directors, trustees, officers, agents or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer, the Trustee or any Paying Agent, or any of their respective members, directors, trustees, officers, agents or employees, and irrespective of the breach of a statutory obligation (other than a breach caused by any of their respective gross negligence or intentional or willful wrongdoing) or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only as set forth in the Loan Agreement and to the extent of any prohibitions imposed by law.

(b) Notwithstanding any other provisions of the Loan Agreement, the obligations of the Institution pursuant to the Loan Agreement shall remain in full force and effect after the termination of the Loan Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters in the Loan Agreement described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters under the Loan Agreement described and the payment of all expenses and charges incurred by the Issuer, the Trustee or their respective members, directors, officers, agents and employees, relating to the enforcement of the provisions specified in the Loan Agreement.

(c) In the event of any claim against the Issuer, the Trustee or any Paying Agent or their respective members, directors, officers, agents or employees by any employee or contractor of the Institution or anyone directly or indirectly employed by the Institution or anyone for whose acts the Institution may be liable, the obligations of the Institution under the Loan Agreement shall not be limited in any way by any limitation

on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(d) The Trustee and each Paying Agent shall be third party beneficiaries of the Institution's obligations under the Loan Agreement. *(Section 8.2)*

Right to Inspect Facility

The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior reasonable written notice to the Institution to inspect the Facility during normal business hours. *(Section 8.3)*

Institution to Maintain its Existence

The Institution agrees that during the Loan Term (a) it will maintain its existence as a not-for-profit corporation constituting an Exempt Organization, and (b) will comply with all warranties and financial and reporting covenants as set forth in the Master Indenture and the Continuing Disclosure Agreement (as more fully described in the Loan Agreement). *(Section 8.4)*

Qualification in State

The Institution throughout the Loan Term shall continue to be duly authorized to do business in the State. *(Section 8.5)*

Agreement to Provide Information

The Institution agrees within a reasonable period of time following a written request by the Issuer to provide and certify or cause to be provided and certified such information concerning the Institution, its finances, operations and affairs necessary to enable the Issuer to make any report required by law, including without limitation pursuant to the Public Authorities Accountability Act of 2005 (the "PAAA") and the Public Authorities Reform Act of 2009, each as amended from time to time, governmental regulation or any of the Issuer Documents or Institution Documents. The Institution shall deliver to the Issuer and the Trustee each year no later than January 15 a certificate signed by the Chief Financial Officer of the Institution, stating that the Institution is not in default under the Loan Agreement and no Event of Default exists and remains uncured under the Loan Agreement, the Promissory Note or any other Institution Documents. Such information shall be provided within thirty (30) days following the Institution's receipt (as determined pursuant to the Loan Agreement) of written request from the Issuer. *(Section 8.6)*

Compliance with Orders, Ordinances, Etc.

(a) The Institution throughout the Loan Term agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and

requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the operation, renovation, construction, and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the operation, construction, equipping, and furnishing thereof, or to any use, manner of use or condition of the Facility or any part thereof and of all companies or associations insuring the premises.

(b) The Institution shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, and except as permitted pursuant to a certain Order on Consent between New York State Department of Environmental Conservation and the College entered into as of January 31, 2019, as amended to date (the “**Consent Order**”), the Institution shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws, regulations and permits, nor shall the Institution cause or permit, as a result of any intentional or unintentional act or omission on the part of the Institution or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Institution shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Institution shall (a) subject to the Consent Order, conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facility (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Trustee and the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Trustee and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of Loan Agreement shall be in addition to any and all

other obligations and liabilities the Institution may have to the Trustee at common law, and shall survive the transactions contemplated in the Loan Agreement.

(c) Notwithstanding the provisions of subsections (a) and (b) under this heading, the Institution may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Institution may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to immediate loss, penalty or forfeiture, in which event the Institution shall promptly take such action with respect thereto or provide such security as shall be reasonably satisfactory to the Trustee and to the Issuer. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Institution shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Trustee.

(d) Notwithstanding the provisions of the Loan Agreement, if, because of a breach or violation of the Loan Agreement, either the Issuer, the Trustee, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Trustee, the Institution shall immediately provide legal protection and/or pay amounts necessary in the reasonable opinion of the Issuer or the Trustee, as the case may be, and their respective members, directors, officers, agents and employees deem reasonably sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of the Loan Agreement, the Trustee and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Trustee and the Issuer shall each select their own counsel, and any and all reasonable and actual costs of such defense, including, without limitation, reasonable and actual attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable and actual litigation expenses, shall be paid by the Institution. *(Section 8.8)*

Discharge of Liens and Encumbrances

(a) The Institution throughout the Loan Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof.

(b) Notwithstanding the provisions of the Loan Agreement, the Institution may in good faith contest any such Lien. In such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by nonpayment of any such item or items, the Facility or any part thereof may be subject to immediate loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing a bond, in form and substance reasonably satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be reasonably satisfactory to the Issuer to protect its interests. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the Institution' receipt of notice of the filing or perfection thereof. *(Section 8.9)*

Additional Encumbrances and Indebtedness

The Institution may issue additional long term Indebtedness or request the Issuer to issue one or more Series of Additional Bonds under the Indenture, provided that all terms and conditions for the incurrence of such additional Indebtedness or Additional Bonds under the Master Indenture and the Indenture have been satisfied. *(Section 8.13)*

Certain Additional Covenants

The Institution agrees that during the Loan Term it will comply with all financial and reporting covenants set forth in the Master Indenture. *(Section 8.14)*

Continuing Disclosure Agreement

The Institution has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Series 2021 Bonds. The Institution covenants and agrees with the Holders from time to time of the Series 2021 Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time, applicable to it. Notwithstanding any other provision of the Loan Agreement, failure of the Institution to comply with the Continuing Disclosure Agreement shall not be considered a default or an event of default under the Loan Agreement and the rights and remedies provided by the Loan Agreement upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. *(Section 8.15)*

Securities Law Status

The Institution affirmatively represents, warrants and covenants that, as of the date of the Loan Agreement, it is an organization organized and operated: (i) exclusively for civic, educational and/or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The Institution

agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in the Loan Agreement. *(Section 8.16)*

Rebate Covenant

The Institution covenants to make, or cause to be made, any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Section 148(f) of the Code and to comply with instructions received from Bond Counsel pursuant to the certification with respect to the making of any such payments. *(Section 8.17)*

Assignment, Leasing and Subleasing

(a) The Loan Agreement may not be assigned, other than as provided in the Master Indenture, in whole or in part, and the Facility may not be leased, in whole or in part; except to residents of the Facility; without the prior written consent of the Issuer in each instance except with respect to the Residency Agreements or otherwise in the ordinary course of business of the Institution or except as provided in the Tax Regulatory Agreement. Any permitted assignment or lease shall be on the following conditions:

- (i) no assignment or lease, including to residents of the Facility, shall relieve the Institution from primary liability for any of its obligations under the Loan Agreement or under any other of the Institution Documents;
- (ii) the assignee or lessee in whole (in the discretion of the Issuer and except the residents of the Facility) of the Facility shall assume the obligations of such Institution under the Loan Agreement to the extent of the interest assigned or leased, shall be jointly and severally liable with the Institution for the performance thereof and shall be subject to service of process in the State of New York;
- (iii) the Institution shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such assignment or lease and the instrument of assumption;
- (iv) neither the validity nor the enforceability of the Series 2021 Bonds or any Bond Document shall be adversely affected thereby;
- (v) the exclusion of the interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes will not be adversely affected;
- (vi) except as otherwise permitted in the Code and subject to the delivery of an opinion of Bond Counsel with respect to the requirements of clause (v) above, the assignee or lessee in whole (in the discretion of the Issuer) of the Facility shall be an Exempt

Organization and shall utilize the Facility substantially in the same manner as the Institution.

(b) If the Trustee or the Issuer shall so request, as of the purported effective date of any assignment or lease of the Facility pursuant to subsection (a) above, the Institution, at its sole cost, shall furnish the Trustee or the Issuer, as appropriate, with an opinion, in form and substance satisfactory to the Trustee or the Issuer, as appropriate, (i) of Bond Counsel as to item (v) above, and (ii) of Independent Counsel as to items (i), (ii), (iv) and (vi) above. *(Section 9.3)*

Merger of Issuer

(a) Nothing contained in the Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, any other local development corporation, public benefit corporation or political subdivision which has the legal authority to enter into the Loan Agreement, provided that:

(i) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of the Loan Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the local development corporation, public benefit corporation or political subdivision with which the Issuer is consolidated or surviving such merger; and

(ii) the exclusion of the interest on the Tax-Exempt Series 2021 Bonds from gross income for Federal income tax purposes shall not be adversely affected thereby.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of interest, the Issuer shall give notice thereof in reasonable detail to the Institution and the Trustee and shall furnish to the Institution and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of the Loan Agreement, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of the Loan Agreement. The Issuer promptly shall furnish such additional information with respect to any such transaction as the Institution or the Trustee may reasonably request. *(Section 9.5)*

Events of Default Defined

(a) The following shall be “Events of Default” under the Loan Agreement:

(i) the failure by the Institution to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to the Loan Agreement; or prior to the maturity or redemption in full of the Entrance Fee Redemption Bonds, the failure by the Institution to tender or cause to be tendered Entrance Fees for deposit in the Entrance Fee Fund as required by the Loan Agreement;

(ii) the failure by the Institution to observe and perform any covenant contained in the Loan Agreement;

(iii) any representation or warranty of the Institution in the Loan Agreement or in the Bond Purchase Agreement shall prove to have been false or misleading in any material respect and the same shall have a materially adverse effect upon the Institution, the Facility, or the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;

(iv) the failure by the Institution to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be observed or performed (except obligations referred to in the Loan Agreement) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the Institution by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the Institution is proceeding diligently and in good faith to cure such default, then the Institution shall be permitted an additional ninety (90) days within which to remedy the default;

(v) the dissolution or liquidation of the Institution; or the failure by the Institution to release, stay, discharge, lift or bond within ninety (90) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Institution generally to pay its debts as they become due; or an assignment by the Institution for the benefit of creditors; the commencement by the Institution (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Institution (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Institution as the debtor in such case or proceeding, or such case or proceeding is consented to by the Institution or remains undismissed for ninety (90) days, or the Institution consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Institution for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term "dissolution or liquidation of the Institution" as used in this subsection shall not be construed to include any transaction permitted by the Loan Agreement);

(vi) an Event of Default under or a default on the part of the Institution of its obligations under the Indenture shall have occurred and be continuing;

(vii) the Institution or any Obligated Group Member shall default in the payment of any other Indebtedness (other than the Series 2021 Obligation), whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture or instrument, under which there may be issued, or by which there may be secured or evidenced, any Indebtedness, whether such Indebtedness now exists or shall hereafter be created, shall occur, which default in payment or event of default shall be in respect of (a) any Indebtedness secured by an Obligation issued pursuant to the Master Indenture or (b) any Indebtedness in an aggregate principal amount that exceeds the greater of \$250,000 or 1% of unrestricted net assets of the Obligated Group, where the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such Indebtedness to become due prior to its stated maturity; provided, however that such default shall not constitute an Event of Default within the meaning of the Loan Agreement if within the time allowed for service of a responsive pleading in any proceeding to enforce payment of such Indebtedness under the laws of New York or other laws governing such proceeding (i) the Institution or such Obligated Group Member in good faith commences proceedings to contest the existence or payment of such Indebtedness, (ii) sufficient moneys are escrowed with a bank or trust corporation for the payment of such Indebtedness, and (iii) the Institution delivers an Officer's Certificate to the Issuer and the Trustee certifying that the Institution has complied with the Loan Agreement;

(viii) the invalidity, illegality or unenforceability of any of the Bond Documents, provided the same does not permit the Issuer or the Trustee, as the case may be, to recognize the material benefits of the respective documents;

(ix) a breach of any covenant or representation contained in the Loan Agreement with respect to environmental matters; or

(x) an event of default under the Ground Lease or the Sub-Ground Lease continuing beyond any applicable notice or cure period.

(b) Notwithstanding the provisions of the Loan Agreement, if by reason of force majeure any party to the Loan Agreement shall be unable in whole or in part to carry out its obligations under the Loan Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under the Loan Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used in the Loan Agreement shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of

public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties. *(Section 10.1)*

Remedies on Default

(a) Whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid Loan Payments payable pursuant to the Loan Agreement and pursuant to the Promissory Note in amount equal to the aggregate unpaid principal balance of all Series 2021 Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, and (B) all other payments due under the Loan Agreement; provided, however, that if an Event of Default specified in the Loan Agreement shall have occurred, such Loan Payments and other payments due under the Loan Agreement shall become immediately due and payable without notice to the Institution or the taking of any other action by the Trustee;

(ii) (a) apply any undisbursed money in the Project Fund to the payment of the costs and expenses incurred in connection with the enforcement of the rights and remedies of the Trustee and the Issuer, and (b) apply any undisbursed monies in the Project Fund, the Entrance Fee Fund, the Special Redemption Fund, the Debt Service Reserve Fund, the Operating Reserve Fund, and any other Fund or Account under the Indenture (other than those sums attributable to Unassigned Rights and except for the monies and investments from time to time in the Rebate Fund) to the payment of the outstanding principal amount of the Series 2021 Bonds and premium, if any, and accrued and unpaid interest on the Series 2021 Bonds; or

(iii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due under the Loan Agreement and to enforce the obligations, agreements or covenants of the Institution under the Loan Agreement.

(b) Reserved.

(c) Any sums payable to the Issuer as a consequence of any action taken pursuant to the Loan Agreement (other than those sums attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall be paid to the Trustee and applied to the payment of the Series 2021 Bonds.

(d) No action taken pursuant to the Loan Agreement shall relieve the Institution from the obligation to make all payments required by the Loan Agreement and pursuant to the Promissory Note. *(Section 10.2)*

Remedies Cumulative

No remedy conferred in the Loan Agreement upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee, as appropriate, to exercise any remedy reserved to it in the Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Loan Agreement. *(Section 10.3)*

Agreement to Pay Attorneys' Fees and Expenses

(a) In the event the Institution should default under any of the provisions of the Loan Agreement and the Issuer should employ attorneys or incur other expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreement on the part of the Institution contained in the Loan Agreement, the Institution shall, on demand therefore, pay to the Issuer the reasonable and actual fees of such attorneys and such other reasonable and actual out of pocket expenses so incurred.

(b) In the event the Institution should default under any of the provisions of the Loan Agreement and the Trustee should employ attorneys or incur other expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the Institution contained in the Loan Agreement, the Institution shall, on demand therefor, pay to the Trustee the reasonable and actual fees of such attorneys and such other reasonable and actual out-of-pocket expenses so incurred. *(Section 10.4)*

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement. *(Section 10.5)*

Certificate of No Default. The Institution shall deliver to the Issuer and the Trustee each year no later than January 15 a certificate signed by the Treasurer, Chief Financial Officer or the President of the Institution stating that the Institution is not in default under the Loan Agreement and no Event of Default exists under the Loan Agreement, the Promissory Note, the Mortgages, or any other Institution Document. Such certificate shall also contain all information required by the Loan Agreement. *(Section 10.6)*

Early Termination of Loan Agreement

The Institution shall have the option to terminate the Loan Agreement at any time that the Series 2021 Bonds are subject to redemption in whole under the Indenture and upon filing with the Issuer and the Trustee a certificate signed by an Authorized Representative of the Institution stating the Institution's intention to do so pursuant to the Loan Agreement and the date upon which such payment shall be made (which date shall not be less than thirty (30) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in the Loan Agreement. *(Section 11.1)*

Conditions to Early Termination of Loan Agreement

In the event the Institution exercises the option to terminate the Loan Agreement in accordance with the provisions of the Loan Agreement, the Institution shall make the following payments:

(a) To the Trustee for the account of the Issuer: an amount certified by the Trustee which, when added to the total amount on deposit with the Trustee for the account of the Issuer and the Institution and available for such purpose, will be sufficient to pay the principal of, Redemption Price of, and interest to maturity or the earliest practicable redemption date, as the case may be, on the Series 2021 Bonds, all expenses of redemption and the Trustee's fees and expenses.

(b) To the Issuer: an amount certified by the Issuer sufficient to pay all unpaid fees and expenses of the Issuer incurred under the Bond Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Bond Documents. *(Section 11.2)*

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Summary of Certain Provisions of the Master Trust Indenture

The following is a summary of certain provisions of the Master Trust Indenture, as amended and supplemented by the Supplemental Indenture for Obligation No. 1. Certain provisions of the Master Indenture, as so amended and supplemented, are also described in the Preliminary Official Statement. This summary does not purport to be complete and reference is made to the Master Indenture and the Supplemental Indenture for Obligation No. 1, for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Master Trust Indenture and are included for ease of reference only.

Definitions

“Additional Indebtedness” means Indebtedness incurred by any Member subsequent to the execution and delivery of the Master Indenture.

“Additional Rent” shall have the meaning given to such term in the Liquidity Support Agreement.

“Affiliate” means a corporation, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, a Member; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of a Member. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a nonprofit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, “Directing Body” means with respect to: (a) a corporation having stock, such corporation’s board of directors and the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation’s directors (both of which groups shall be considered a Directing Body); (b) a nonprofit corporation not having stock, such corporation’s members if the members have complete discretion to elect the corporation’s directors, or the corporation’s directors if the corporation’s members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

“Affiliate Related Subordinated Indebtedness” means fees and other amounts due to an Affiliate of a Member for money borrowed, credit extended or services rendered, the payment of which are deferred or not yet payable at the time of calculation and which are subordinate to payments due on all Obligations issued under the Master Indenture in accordance with written agreements between such Affiliates and a Member.

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal amount of which matures during any consecutive 12-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified under the Master Indenture as Put Indebtedness.

“Book Value,” when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member which have been prepared in accordance with generally accepted accounting principles, and, when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined or consolidated financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles, provided that such aggregate shall be calculated in such a manner so that no portion of the value of any Property of any Member is included more than once.

“Capitalized Lease” means any lease of real or personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee.

“Capitalized Rentals” means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

“Cash and Investments” means the sum of cash, cash equivalents, marketable securities, including without limitation board-designated assets, but excluding (a) trustee-held funds other than those otherwise described in this definition, (b) donor-restricted funds to the extent that the payment of debt service on the Indebtedness of the Obligated Group would be inconsistent with the donor’s restrictions, and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligor and any other Member of the Obligated Group. Any amounts on deposit in any debt service reserve fund created under a Related Bond Indenture shall be excluded from the calculation of Cash and Investments for the purposes of determining the number of Days Cash on Hand. For purposes of calculations under the Master 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 Officer’s Certificate is required to be delivered with respect to such calculation.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations relating to such section.

“Commitment Indebtedness” means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member, or (b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a

Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the Master Indenture, and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement.

“Completion Funded Indebtedness” means any Funded Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities with respect to which Funded Indebtedness for borrowed money has been incurred in accordance with the provisions of the Master Indenture; and (b) with a principal amount not in excess of the amount which is required to provide a completed and equipped Facility of substantially the same type and scope contemplated at the time such prior Funded Indebtedness was originally incurred, to provide for Funded Interest during the period of construction, to provide any reserve fund relating to such Completion Funded Indebtedness and to pay the costs and expenses of issuing such Completion Funded Indebtedness.

“Construction Index” means the most recent issue of the “Dodge Construction Index” (available at McGraw Hill Construction, <http://construction.com/>) with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Agent in an Officer’s Certificate delivered to the Master Trustee and which other index is not objected to by the Master Trustee.

“Construction Monitor” means Alcala Construction Management, Inc.

“Consultant” means a Person selected by the Obligated Group Agent and not objected to by more than two-thirds in aggregate principal amount of the holders of the Outstanding Obligations pursuant to the Master Indenture, which is not, and no member, stockholder, director, officer or employee of which is, an officer or employee of the Obligor or any other Member of the Obligated Group and which is a recognized professional management consultant or accountant (which may be the Obligor’s external auditing firm) in the area of senior living finance and having the skill and experience necessary to render the particular opinion, certificate or report required by the provisions of the Master Indenture in which such requirement appears.

“Contributions” means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities. Contributions shall include payments received from any Affiliate of an Obligated Group Member.

“Cumulative Cash Loss” means, commencing with the Initial Occupancy Date, the sum, on a cumulative basis, of resident service revenues (excluding amortization of Entrance Fees), plus other operating and non-operating revenues, plus Unrestricted Contributions, plus Entrance Fees (other than Initial Entrance Fees while any Outstanding Related Bonds are subject to redemption from Initial Entrance Fees), plus investment earnings (including realized gains and losses, but excluding unrealized gains and losses) minus (a) Entrance Fees refunded to residents and (b) the aggregate of all operating expenses (including development fees and Debt Service Requirements) and capital expenditures which are not part of the Facilities paid from moneys other than proceeds of the Initial Related Bonds excluding (i) depreciation and amortization and other non-cash expenses, and (ii) any cost, fee or expense paid from the proceeds of the Initial Related Bonds or interest earnings thereon.

“Cumulative Cash Loss Covenant” shall mean the covenant of the Obligated Group to maintain certain levels of Cumulative Cash Loss as set forth in the Master Indenture.

“Current Value” means (i) with respect to Property, Plant and Equipment: (a) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Agent and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, minus the fair market value (as reflected in such most recent appraiser’s report) of any Property, Plant and Equipment included in such report but disposed of since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated; plus (b) the Book Value of any Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated, minus (c) the Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of and (ii) with respect to any other Property, the fair market value of such Property, which fair market value shall be evidenced in a manner satisfactory to the Master Trustee.

“Days Cash on Hand” means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing the aggregate Expenses (including interest on Indebtedness but excluding provisions for bad debt, amortization, depreciation or any other non-cash expenses) for the trailing twelve months for the period ending June 30 and December 31, as derived from the financial statements of the Obligor, and any other Member of the Obligated Group, by 365.

“Debt Obligation” means an Obligation issued to secure or evidence any Indebtedness authorized to be issued by a Member pursuant to the Master Indenture which has been authenticated by the Master Trustee pursuant to the Master Indenture.

“Debt Service Coverage Ratio Requirement” means, for each Fiscal Year, 1.20:1.

“Debt Service Requirements” means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on Outstanding Funded Indebtedness of each Person or a group of Persons with respect to which calculated; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in the Master Indenture; (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which requires that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness, and except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt service; (e) any annual fees payable in respect of a credit facility issued to secure any series of Related Bonds, if any (other than annual fees to be paid from proceeds of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements, and (f) with respect to any Funded Indebtedness for which the number of actual payments of principal in any Fiscal Year is greater than those in the immediately preceding and/or succeeding Fiscal Years solely by reason of the fact that such principal payments are scheduled to occur other than on a specified date or dates, the first or last principal payment in such Fiscal Year, as the case may be, for which the number of payments is higher shall be deemed to be required to be made in the next preceding or succeeding Fiscal Year, as appropriate, so as to have an equal number of principal payments in each Fiscal Year.

“Development Consultant” means LCSD/SCD Partners, LLC.

“EMMA” means the Electronic Municipal Market Access system as described in the Securities Exchange Act of 1934, as amended by Release No. 59062, and maintained by the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12, or any similar system that is acceptable to the Securities and Exchange Commission.

“Encumbered” means, with respect to Property, subject to (i) a Lien described in the following subsections of the definition of “Permitted Encumbrances”: subsection (r), other than a Lien also covered by subsection (c); subsection (aa), but including only Capitalized Leases; subsections (l)(ii), (s), (v), (x), (y), and (bb); or (ii) any other Liens not described in the definition of Permitted Encumbrances; provided that any amounts on deposit in a construction fund created in connection with the issuance of an Obligation which are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property which is not subject to a Lien.

“Entrance Fees” means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of Independent Living Units for the purpose of obtaining the right to reside in those Independent Living Units or to obtain a parking space including any refundable resident deposits described in any Residency Agreement with respect to those living units or parking spaces, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement or a reservation agreement prior to the occupancy of the Independent Living Units or parking space covered by such Residency Agreement (which amounts shall be included if and when occupancy occurs).

“Escrow Obligations” means, (a) with respect to any Obligation which secures a series of Related Bonds, the obligations permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (b) in all other cases (i) non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America; and (ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (A) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (B) which are secured as to principal and interest and redemption premium by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) of this definition which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (A) of this clause (ii), as appropriate, (C) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) of this definition which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (A) of this clause (ii) as appropriate, and (D) which are rated “AAA” by Standard & Poor’s or “Aaa” by Moody’s.

“Excluded Property” means (a) any assets of “employee pension benefit plans” as defined in the Employee Retirement Income Security Act of 1974, as amended, (b) any moneys and securities held as an entrance fee deposit or security deposit, or in a resident trust fund, for any resident of any Facility of a Member prior to such resident’s occupancy of any Facility, and (c) the real estate described in Exhibit B to the Master Indenture, as such Exhibit may be amended by the Obligated Group Agent and the Master Trustee from time to time, and all improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith.

“Expenses” means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Person or group of Persons involved during such period, minus (a) interest on Funded Indebtedness (taking into account any Interest Rate Agreement as provided in the Master Indenture), (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale, disposal or abandonment of assets other than in the ordinary course of business and losses on the

extinguishment of debt or termination of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write-down of assets other than bad debts, (f) any losses from the sale or other disposition of fixed or capital assets, (g) any losses resulting from changes in the valuation of investment securities and unrealized changes in the value of derivative instruments or resulting from the temporary impairment of investment securities, (h) any other non-cash expenses, (i) any development, management, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination, and (j) any and all rent required to be paid under the Sublease Agreement. If such calculation is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded. Generally, any transfers of cash made under the heading "Sale, Lease or Other Disposition of Property" are not included in the definition of "Expenses."

"Extendable Indebtedness" means Indebtedness which is repayable or subject to purchase at the option of the holder thereof prior to its stated maturity, but only to the extent of money available for the repayment or purchase therefor and not more frequently than once every year.

"Facility" or "Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person. Facilities shall not include the land, leasehold interests, buildings, fixtures or equipment constituting Excluded Property.

"Fiscal Year" means any 12-month period beginning on July 1 and ending on June 30 of a calendar year or such other consecutive 12-month period selected by the Obligated Group Agent as the fiscal year for the Members.

"Fitch" means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee at the written direction of the Obligated Group Agent.

"Funded Indebtedness" means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed which is not Short-Term; (b) all Short-Term Indebtedness incurred by the Person which is of the type described in the Master Indenture; (c) the Person's Guaranties of Indebtedness which are not Short-Term; and (d) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that (i) Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to the Master Indenture and (ii) Affiliate Related Subordinated Indebtedness shall not be considered Funded Indebtedness.

"Funded Interest" means amounts irrevocably deposited in an escrow or other trust account to pay interest on Funded Indebtedness or Related Bonds and interest earned on amounts

irrevocably deposited in an escrow or other trust account, to the extent such amounts so deposited are required to be applied to pay interest on Funded Indebtedness or Related Bonds.

“Governing Body” means, with respect to a Member, the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested or an executive committee of such board or any duly authorized committee of such board to which the relevant powers of that board have been lawfully delegated.

“Gross Revenues” means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third-party payments), condemnation awards, Entrance Fees and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other residential and commercial areas of the Facilities to be occupied or leased to such residents or tenants, (iv) payments or deposits under a Residency Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of such payment or deposit have been satisfied, and (v) all deposits and/or advance payments made in connection with any residency of the Independent Living Units or other residential and commercial areas of the Facilities to be occupied by residents or tenants and received prior to receipt of such certificate and licenses for occupancy of such units.

“Guaranty” means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor; (b) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

“Hedging Obligation” means an Obligation issued under the Master Indenture, expressly identified as a Hedging Obligation, as being issued in order to evidence or secure financial obligations of a Member in an Interest Rate Agreement.

“Historical Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Debt Service Requirements for such period and a denominator of one; provided, however, that in calculating the Debt Service Requirements for such period, the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Indenture, and to the extent an Interest Rate Agreement has been entered into in connection with any particular indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Interest Rate Agreement shall be used in such calculation.

“Historical Maximum Annual Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Historical Maximum Annual Debt Service Requirements on the Indebtedness of the Person or Persons involved during any completed period and a denominator of one; provided, however, that in calculating the Debt Service Requirements for any completed period, the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Indenture, and to the extent an Interest Rate Agreement has been entered into in connection with any particular indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Interest Rate Agreement shall be used in such calculation.

“Historical Maximum Annual Debt Service Requirements” means the largest total Debt Service Requirements for the Fiscal Year with respect to which an Historical Maximum Annual Debt Service Coverage Ratio is being calculated or any subsequent Fiscal Year on the Indebtedness of the Person or Persons involved which was simultaneously Outstanding during the Fiscal Year with respect to which an Historical Maximum Annual Debt Service Coverage Ratio is being calculated.

“Historical Pro Forma Maximum Annual Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness then Outstanding (other than any Funded Indebtedness being refunded with the Funded Indebtedness then proposed to be issued) and the Funded Indebtedness then proposed to be issued and a denominator of one.

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

“Indebtedness” means, for any Person, (a) all Guaranties by such Person, (b) all liabilities (exclusive of reserves such as those established for deferred taxes or litigation) recorded or

required to be recorded as such on the audited financial statements of such Person in accordance with generally accepted accounting principles, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events or (ii) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others or otherwise; provided that Indebtedness shall not include Indebtedness of one Member to another Member, any Guaranty by any Member of Indebtedness of any other Member, the joint and several liability of any Member on Indebtedness issued by another Member, Interest Rate Agreements or any obligation to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of resident care or any rights of residents of senior living or similar facilities to Entrance Fees (whether amortized into income or not), endowment or similar funds deposited by or on behalf of such residents including but not limited to any deferred obligations for the refund or repayment of Entrance Fees, and any rent, development, marketing, operating or other fees that have been deferred from the year in which they were originally due as a result of deferral or subordination.

“Independent Architect” means a Person (not an employee of any Member or any Affiliate thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the applicable Member, and approved in writing by the Master Trustee (which approval shall not be unreasonably withheld).

“Independent Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee or any Related Bond Trustee.

“Independent Living Units” means independent living units that are or will be Property of a Member.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any Independent Living Unit (including any such fees collected for the purpose of obtaining a parking space) not previously occupied.

“Initial Occupancy Date” means the earliest date a resident has taken physical possession of the first Independent Living Unit to be Occupied.

“Initial Related Bonds” means any revenue bonds or similar obligations the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of the first Obligation issued pursuant to the Master Indenture.

“Initial Subordinated Indebtedness” shall have the meaning ascribed to such term in the Master Indenture.

“Initial Underwriter” means the underwriter for the Initial Related Bonds.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member or any Related Issuer and which, in the case of a firm, does

not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof, appointed by the Obligated Group Agent and not objected to by the Master Trustee, qualified to survey risks and to recommend insurance coverage for nursing home/retirement community facilities and services of the type involved, and having a favorable reputation for skill and experience in such surveys and such recommendations, and which may include a broker or agent with whom any Member transacts business.

“Interest Rate Agreement” means an interest rate exchange, hedge or similar agreement, expressly identified, in an Officer’s Certificate of the Obligated Group Agent delivered to the Master Trustee at the time such agreement is entered into, as being entered into in order to hedge the interest payable on all or a portion of any Permitted Additional Indebtedness, which agreement may include, without limitation, an interest rate swap, a basis swap, a yield curve swap, a currency swap, a rate maintenance agreement, or a forward or futures contract or an option (e.g., a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness under the Master Indenture.

“Investment Grade Rating” means “BBB-” or higher by Fitch, “Baa3” or higher by Moody’s or “BBB-” or higher by S&P, or such other equivalent rating from any other Rating Agency.

“Issuer” means the Westchester County Local Development Corporation, a local development corporation existing under the laws of the state of New York, created pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law, and its successors and assigns.

“Land” means the real Property owned or leased by any Member of the Obligated Group upon which the primary operations of the Members are conducted as described in Exhibit A to the Master Indenture, as amended as provided in the Master Indenture from time to time, together with all buildings, improvements and fixtures located thereon, but excluding therefrom the Excluded Property.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than any Member.

“Liquidity Covenant” means the Obligated Group’s covenant to maintain the Liquidity Requirement as set forth in the Master Indenture.

“Liquidity Requirement” means no less than 175 Days Cash on Hand.

“Liquidity Support Agreement” means the Liquidity Support Agreement dated as of November __, 2021 by and among Purchase College Advancement Corporation, as Liquidity Provider, Obligor and the Master Trustee, entered into in connection with the issuance of the Initial Related Bonds.

“Long-Term Indebtedness” means Indebtedness (which also may constitute Balloon Indebtedness or Put Indebtedness) having an original stated maturity or term greater than one year.

“Master Indenture” means the Master Trust Indenture dated as of November 1, 2021 between the Obligor and the Master Trustee, as it may from time to time be amended or supplemented in accordance with the terms thereof.

“Master Trustee” means The Bank of New York Mellon, its successors and assigns, or any successor trustee under the Master Indenture.

“Maximum Annual Debt Service Requirement” means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year.

“Member” or “Member of the Obligated Group” or “Obligated Group Member” means any Person who is listed on Exhibit C to the Master Indenture (as amended from time to time) after designation as a Member of the Obligated Group pursuant to the terms of the Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee at the written direction of the Obligated Group Agent.

“Mortgage” or “Mortgages” means, collectively, (i) with respect to the Initial Related Bonds, the Building Loan Mortgage and Security Agreement, from the Obligor, as mortgagor, to the Issuer, as mortgagee, dated as of November 1, 2021 as assigned by an Assignment of Building Loan Mortgage and Security Agreement, dated November __, 2021, from the Issuer to the Master Trustee, and the Project Loan Mortgage and Security Agreement, from the Obligor, as mortgagor, to the Issuer, as mortgagee, dated as of November 1, 2021 as assigned by an Assignment of Project Loan Mortgage and Security Agreement, dated November __, 2021, as the same may be supplemented and amended from time to time, and (ii) any mortgages granted by the Obligated Group to secure any future Obligations.

“Mortgaged Property” means the real property and personal property of the Obligor which is subject to the Lien and security interest of the Mortgage.

“Net Proceeds” means, when used with respect to any insurance or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used less all expenses (including attorney’s fees, adjuster’s fees and any expenses of the Obligated Group or the Master Trustee) incurred in the collection of such gross proceeds.

“Net Rentals” means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not

designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so-called “percentage lease” shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

“Non-Recourse Indebtedness” means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment (other than the Land) and the income therefrom, with no recourse, directly or indirectly, to any other Property of any Member.

“Obligated Group” means the Obligor and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in the Master Indenture and which has not ceased such status pursuant to the Master Indenture.

“Obligated Group Agent” means the Obligor or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee, executed by an authorized officer of the Obligor.

“Obligation Holder,” “holder” or “owner of the Obligation” means the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation in which case such alternative provision shall control.

“Obligation Registrar” means the Master Trustee as obligation registrar with respect to the obligations and its successors and assigns in such capacity.

“Obligations” means any Debt Obligation or Hedging Obligation authorized to be issued by a Member pursuant to the Master Indenture and any Supplemental Master Indenture and which has been authenticated by the Master Trustee pursuant to the Master Indenture and any Obligation or Obligations issued in exchange therefor.

“Obligor” means Purchase Senior Learning Community Inc. a duly organized and validly existing New York not-for-profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“Occupied” means (i) with respect to any Independent Living Unit, any unit for which a Residency Agreement has been executed, and, if an Entrance Fee is payable, the related Entrance Fee has been paid or a promissory note for such Entrance Fee has been executed and the occupant of such Independent Living Unit has taken possession and continues to reside therein or (ii) with respect to any other type of unit/bed, physical possession of such unit/bed by a resident (other than a resident temporarily transferred from another unit/bed within the community).

“Officer’s Certificate” means a certificate signed, in the case of a certificate delivered by a Member of the Obligated Group, by the President, any Vice President, or any other officer authorized to sign by resolution of the Governing Body of such Member of the Obligated Group or in the case of a certificate delivered by any other organization, by the President, Vice

President, or any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such certificate shall be evidenced to the satisfaction of the Master Trustee.

“Opinion of Bond Counsel” means a written opinion of nationally recognized municipal bond counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service.

“Outstanding” means, in the case of Indebtedness of a Person other than Related Bonds or Obligations, all such Indebtedness of such Person which has been issued except any such portion thereof canceled after purchase or surrendered for cancellation or because of payment at or redemption prior to maturity, any such Indebtedness in lieu of which other Indebtedness has been duly incurred and any such Indebtedness which is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such Indebtedness.

“Outstanding Obligations” or “Obligations Outstanding” means all Obligations which have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except:

(a) Obligations canceled after purchase or because of payment at or prepayment or redemption prior to maturity;

(b) (i) Obligations for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with an escrow agent, which may be the Master Trustee, (whether upon or prior to the maturity or redemption date of any such Obligations); provided that if such Obligations are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption shall have been given or irrevocable arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee and (ii) Obligations securing Related Bonds for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with an escrow agent, which may be the Related Bond Trustee, (whether upon or prior to the maturity or redemption date of any such Related Bonds); provided that if such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Obligations in lieu of which others have been authenticated under the Master Indenture; and

(d) Obligations held by a Member.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed Outstanding if such Related Bonds are Outstanding.

“Outstanding Related Bonds” means all Related Bonds which have been duly authenticated and delivered by the Related Bond Trustee under the Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds which have been so authenticated and delivered, except:

(a) Related Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (b)(i) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the Related Bond Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture; and

(d) For the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture, Related Bonds held or owned by a Member.

“Paying Agent” means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of, premium, if any, and interest on any Related Bonds or designated pursuant to the Master Indenture and named in an Obligation to receive and disburse the principal of, premium, if any, and interest on such Obligation.

“Permitted Additional Indebtedness” means Additional Indebtedness permitted by the Master Indenture.

“Permitted Encumbrances” means the Master Indenture, the Mortgage, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

(a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(b) any Lien on the Property of any Member permitted under the provisions of the Master Indenture;

(c) any Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

(d) Residency Agreements and leases which relate to Property of the Obligated Group which is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, food service facilities, gift shops, commercial, beauty shop, banking, parking for residents, other similar specialty services, pharmacy and similar departments, space for telecommunications equipment, or employee rental apartments; sale/saleback or lease/leaseback or similar arrangements in connection with the issuance of Related Bonds; and any leases, licenses or similar rights to use Property between Members that include fair and reasonable terms no less favorable to any such parties than they would obtain in a comparable arm's-length transaction;

(e) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with the Master Indenture;

(f) utility, telecommunications, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(g) any mechanic's, laborer's, materialman's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question or has been due for less than 90 days, or if such Lien is being contested in accordance with the provisions of the Master Indenture;

(h) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and which do not apply to Property which has been deposited as part of a plan to secure Indebtedness;

(i) zoning laws and similar restrictions which are not violated by the Facility affected thereby;

(j) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(k) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(l) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(m) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(n) Liens on moneys deposited by residents or others with a Member as security for or as prepayment of the cost of resident care or similar services or any rights of residents of senior living or similar facilities to endowment, prepayment or similar funds deposited by or on behalf of such residents;

(o) Liens on Excluded Property;

(p) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;

(q) any security interest in the Rebate Fund, any depreciation reserve, debt service or interest reserve, debt service, construction fund or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer or the holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture or Related Loan Document or the holder of any related Commitment Indebtedness;

(r) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member by the provider of liquidity or credit support for such Related Bond or Indebtedness;

(s) any Lien on Property acquired by a Member which Lien secures Indebtedness issued, incurred or assumed by any Member, in connection with and to effect such acquisition or existing Indebtedness which will remain Outstanding after such acquisition which Lien encumbers Property other than Land, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value of the Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(t) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse, provided that the principal amount of Indebtedness secured by any such Lien does not exceed the face amount of such accounts receivable sold;

(u) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, as are set forth in Exhibit E to the Master Indenture, and which (i) in the case of Property owned by the Obligated Group on the date of execution of the Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected

thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member;

(v) any Lien to which the Property of a Member is subject at the time it becomes a Member, provided that at the time of becoming a Member, (i) the principal amount of the debt the Lien secures is not more than 80% of the Current Value of the Property subject to the Lien, (ii) the Obligated Group Agent shall deliver to the Master Trustee an Officer's Certificate that, after giving effect thereto, the aggregate amount of the Indebtedness secured by such Lien and by all other Liens permitted by this clause (v), does not exceed 30% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group, (iii) the requirements of the Master Indenture have been met, (iv) no Lien so described may be modified to apply to any Property of any Member not subject to such Lien on the date of such Member's joining the Obligated Group, (v) no Additional Indebtedness may be thereafter incurred which is secured by such Lien and (vi) no Lien so described may be extended or replaced by another Lien;

(w) Liens on funds or securities posted in a collateral account held by a counterparty to an Interest Rate Agreement, or by a third party custodian therefore,

(x) Liens securing Indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such Liens; provided that such Liens shall not apply to any Property theretofore owned by an Obligated Group Member other than any theretofore unimproved real property on which the Property so constructed or improved is located;

(y) security interests in the accounts (and proceeds thereof), as defined in Article 9 of the New York Uniform Commercial Code as now or hereafter in effect, of any Member which may be prior to, on a parity with or subordinate to the security interest in those accounts and proceeds created by the Master Indenture, securing Short-Term Indebtedness provided that at the time of the creation of any such security interest the Current Value of such accounts, together with the Current Value of all other Property subject to Liens classified as Permitted Encumbrances under the Master Indenture, shall not exceed 15% of the Revenues as reflected in the Financial Statements of the Obligated Group; and

(z) any Lien which secures Non-Recourse Indebtedness that constitute Permitted Additional Indebtedness;

(aa) any Lien arising out of Capitalized Leases that constitute Permitted Additional Indebtedness;

(bb) any Lien in the nature of a purchase money mortgage or lien on fixed assets, fixtures or equipment acquired or constructed and financed thereby if, after giving effect to such Lien, such purchase money mortgage or lien secures an amount not in excess of the cost of the particular asset to which such Lien relates and any related financing charges, where such purchase money mortgage or lien constitutes a Lien on fixed assets acquired or constructed by a

Member and granted contemporaneously with such acquisition or construction, and which Lien secures all or a portion of the related purchase price or construction cost of such assets;

(cc) any Lien representing rights of setoff and banker's liens with respect to funds on deposit in a financial institution in the ordinary course of business;

(dd) any of the Liens set forth in Exhibit E to the Master Indenture; provided such Liens are not increased, extended, or modified to apply to additional Property or secure Additional Indebtedness (unless otherwise permitted under the Master Indenture); and

(ee) any Lien relating to the pledge or assignment of (i) construction documents for improvements financed with Permitted Additional Indebtedness, or (ii) leases when a Member is the lessee.

"Permitted Investments" means the obligations described below:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself, mortgage pass-through securities, mortgage-backed securities pools, collateralized mortgage obligations and all mortgage derivative securities trusts shall not constitute Permitted Investments);

- (1) Direct obligations of or fully guaranteed certificates of beneficial ownership of the Export Import Bank of the United States,
- (2) Federal Financing Bank,
- (3) Participation certificates of the General Services Administration,
- (4) Guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association, and
- (5) Project Notes, Local Housing Authority Bonds, New Communities Debentures and U.S. public housing notes and bonds fully guaranteed by the U.S. Department of Housing and Urban Development.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies, provided such agency is rated "AAA" at the time of purchase by at least two of the Nationally Recognized Statistical Rating Organizations ("NRSROs") (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) Federal Home Loan Bank System senior debt obligations,
- (2) Participation Certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation,
- (3) Mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association, and
- (4) Consolidated system wide bonds and notes of the Farm Credit System Corporation.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating of “AAAm” or equivalent by at least two of the NRSROs.

(e) Certificates of deposit if collateralized by securities described in (a) and/or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks where the collateral is held by a third party and the Master Trustee has a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the FDIC.

(g) Unsecured investment agreements; any investment agreement with a term greater than three (3) years must be with an issuer rated “AA” by at least two of the NRSROs.

In the event the counterparty is downgraded below either “AA-” or “Aa3” by Standard & Poor’s or Moody’s, respectively, or equivalent by an NRSRO:

- i. The agreement will be transferred to an acceptable institution that meets the ratings requirement described above, or
- ii. Collateral consisting of securities outlined in (a) or (b) above shall be posted that has a value equal to at least 104% of the principal plus accrued interest, or collateral consisting of securities outlined in (c) above shall be posted that has a value equal to at least 105% of the principal plus accrued interest, or
- iii. The agreement must be converted into a Repurchase Agreement, or
- iv. The agreement shall terminate at par plus accrued interest within ten (10) business days should (i), (ii) or (iii) above not be accomplished.

(h) Collateralized investment agreements with providers rated at least “A-” and “A3” by Standard & Poor’s and Moody’s, respectively, or equivalent by at least two NRSROs, provided that (i) the same collateral requirements as outlined in (g)(ii) are followed and (ii) if the provider is downgraded below “A-” and “A3”, or equivalent by at least two NRSROs, the agreement shall terminate at par plus accrued interest.

(i) Commercial paper rated “Prime-1” by Moody’s and “A-1+” by Standard & Poor’s, or equivalent by at least two NRSROs and which matures no more than 270 days from the date of purchase and subject to the following limitations:

- a. Only United States issuers of corporate (issued to provide working capital funding) commercial paper including United States issuers with a foreign parent shall constitute Permitted Investments; and
- b. Limited-purpose trusts, structured investment vehicles, asset-back commercial paper conduits, and any other type of specialty finance company, whose purpose is generally limited to acquiring and funding a defined pool of assets that are used to repay obligations, shall not constitute Permitted Investments.

(j) Bonds or notes issued by any state or municipality which are rated by any two NRSROs in one of the two highest long-term rating categories assigned by such NRSROs (without qualification by symbols “+” or “-” or a numerical notation).

(k) Federal funds or bankers’ acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” by Moody’s and “A-1” by Standard & Poor’s, or equivalent by at least two NRSROs.

(l) Repurchase Agreements.

(m) Forward delivery agreements with providers rated at least “A-” and “A3” by Standard & Poor’s and Moody’s, respectively, or equivalent by at least two NRSROs, provided that (i) permitted deliverables are limited to securities described in (a), (b) and (c) above and (ii) if the provider is downgraded below “A-” or “A3”, or equivalent by an NRSRO, the agreement shall terminate at par plus accrued interest.

(n) Any state administered pool investment fund in which any Related Issuer is statutorily permitted or required to invest, rated “AAA” or equivalent by one of the NRSROs.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, public body, agency or political subdivision thereof or any other similar entity.

“Primary Obligor” means the Person who is primarily obligated on an obligation which is guaranteed by another person.

“Projected Debt Service Coverage Ratio” means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness expected to be Outstanding during such period and a denominator of one.

“Projected Rate” means the projected yield at par of an obligation as set forth in the report of a Consultant. Such report shall state that in determining the Projected Rate such

Consultant reviewed the yield evaluations at par of no fewer than three obligations selected by such Consultant, the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, then obligations the interest on which is subject to federal income taxation) which obligations such Consultant states in its report are reasonable comparators for utilizing in developing such Projected Rate and which obligations: (i) were Outstanding on a date selected by the Consultant which date so selected occurred during the 90-day period preceding the date of the calculation utilizing the Projected Rate in question, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement, including without limitation any letter or line of credit or insurance policy, and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

“Property” means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, other than Excluded Property.

“Property, Plant and Equipment” means all Property of each Member which is classified as property, plant and equipment under generally accepted accounting principles.

“Put Date” means (a) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its stated maturity date or (b) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Put Indebtedness” means Indebtedness which is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, other than by reason of an event of taxability with respect to any Related Bond or other than by reason of acceleration upon the occurrence of an event of default.

“Qualified Financial Institution” means a financial institution that is a domestic corporation, a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a foreign bank acting through a domestic branch or agency which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; provided that for each such entity its

unsecured or uncollateralized long term debt obligations, or obligations secured or supported by a letter of credit, contract, guarantee, agreement or surety bond issued by any such organization, directly or by virtue of a guarantee of a corporate parent thereof, have been assigned a long-term credit rating by any two national ratings services which is not lower than the two highest ratings (with respect to a foreign bank, the highest rating category) then assigned (i.e., at the time an investment agreement or Repurchase Agreement is entered into) by such rating service without qualification by symbols “+” or “-” or a numerical notation.

“Rating Agency” means Moody’s, Standard & Poor’s or Fitch, and their respective successors and assigns.

“Rebate Fund” means any Rebate Fund created by a Related Bond Indenture.

“Related Bond Indenture” means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

“Related Bond Trustee” means any trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, any Related Issuer.

“Related Bonds” means any revenue bonds or similar obligations the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations.

“Related Issuer” means any issuer of a series of Related Bonds.

“Related Loan Document” means any document or documents (including without limitation any loan agreement, lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, subleased or sold to a Member).

“Related Tax Regulatory Agreement” means any tax regulatory agreement or similar instrument entered into in connection with the issuance of a series of Related Bonds.

“Repurchase Agreement” means a written repurchase agreement entered into with a Qualified Financial Institution, a bank acting as a securities dealer or a securities dealer which is listed by the Federal Reserve Bank of New York as a “Primary Dealer” and rated “AA” or “Aa2” or better by at least two Nationally Recognized Statistical Rating Organizations (“NRSROs”) (a “Primary Dealer”), under which securities are transferred from a dealer bank or securities firm for cash with an agreement that the dealer bank or securities firm will repay the cash plus a yield in exchange for the securities on a specified date and under which (i) the Master Trustee is the real party in interest and has the right to proceed against the obligor on the underlying obligations which must be obligations of, or guaranteed by, the United States of America; (ii) the term of which shall not exceed one hundred eighty (180) days; (iii) the collateral must be delivered to the Master Trustee (if the Master Trustee is not supplying the collateral) or a third party acting as agent for the Master Trustee (if the Master Trustee is supplying the collateral) prior to or simultaneous with investment of moneys therein; (iv) such collateral is held free and clear of any lien by the Master Trustee or an independent third party acting solely as agent for

the Master Trustee; and (v) the collateral shall be valued weekly, marked to market at current market prices plus accrued interest; provided that at all times the value of the collateral must at least equal the required percentage of the amount invested in the Repurchase Agreement. If the value of such collateral is less than the amount specified, the Qualified Financial Institution or Primary Dealer must invest additional cash or securities such that the collateral value of the amount invested thereafter at least equals as follows: (a) if collateralized by securities described in clause (a) or (b) of the definition of Permitted Investments, at least 104%, or (b) if collateralized by securities described in clause (c) of the definition of Permitted Investments, at least 105%.

“Required Information Recipients” means the Master Trustee, each Related Bond Trustee, and any Related Issuer.

“Reserved Independent Living Units” means Independent Living Units reserved with a signed Residency Agreement and a 10% Initial Entrance Fee deposit, including Occupied Independent Living Units.

“Residency Agreement” means any written agreement or contract, as amended from time to time, between a Member and a resident or potential resident of a Facility giving the resident certain rights of occupancy an Independent Living Unit, and providing for certain services to such resident including any reservation agreement or other agreement or contract reserving rights of occupancy.

“Revenues” means, for any period, (a) in the case of any Person providing resident services, the sum of (i) resident service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale or other disposition of assets not in the ordinary course of business or any gain from the extinguishment of debt or other extraordinary item or earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees (other than Initial Entrance Fees while any Outstanding Related Bonds are subject to redemption from 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 generally accepted accounting principles; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative instruments, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to entrance fees or (v) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations under the Master 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 any calculation under the Master Indenture that is made with reference to both Revenues and

Expenses, any deduction from gross resident service revenues otherwise required by this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses.

“Rule 15c2-12” means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 as amended.

“Short-Term,” when used in connection with Indebtedness, means having an original maturity less than or equal to one year.

“Stable Occupancy” means with respect to any facility financed with Indebtedness for which the Master Trustee was furnished a Consultant’s report pursuant to the Master Indenture (or, if no Consultant’s report was required by the Master Indenture, an Officer’s Certificate), the percentage of Occupied units in that facility at the level reflected as substantially at the sustainable capacity for which such facility was designed or “stabilized occupancy” for that facility in the Consultant’s report or the Officer’s Certificate.

“Stabilization” means the date on which both (i) the percentage occupancy of the Independent Living Units is 85%, and (ii) all of the Initial Related Bonds subject to redemption from Entrance Fees are redeemed in full in accordance with the applicable Related Bond Indenture.

“Standard & Poor’s” or “S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” or “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee, at the direction of the Obligated Group Agent.

“Sublease Agreement” means the Sublease Agreement, dated as of June 28, 2018, as amended by a certain First Amendment to Sublease, dated as of August 20, 2021, from Purchase College Advancement Corporation to the Obligor.

“Subordinated Indebtedness” means (i) Affiliate Related Subordinated Indebtedness and (ii) Indebtedness which meets the requirements set forth in Exhibit D to the Master Indenture.

“Supplemental Master Indenture” means an indenture amending or supplementing the Master Indenture entered into pursuant to the Master Indenture.

“Tax-Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code and is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect. “Tax-Exempt Organization” shall include a limited liability company which has as its sole member a Tax-Exempt Organization, as it derives its tax status for federal income tax purposes from its sole member.

“Testing Date” means, (i) with respect to Cumulative Cash Loss Covenant, the last day of each fiscal quarter beginning with the first full fiscal quarter following Initial Occupancy and ending with the first fiscal quarter immediately preceding Stabilization, (ii) with respect to the Historical Debt Service Coverage Ratio, the last day of each fiscal quarter of each Fiscal Year, beginning after the earlier of the first full fiscal quarter following Stabilization or the fiscal quarter ending June 30, 2026, and (iii) with respect to the Liquidity Requirement set forth in Section 4.25, the last day of the second fiscal quarter of each Fiscal Year, and the last day of each Fiscal Year, beginning after the earlier of Stabilization or June 30, 2026.

“Trust Estate” shall have the meaning set forth in the Granting Clauses of the Master Indenture.

“Unrestricted Contributions” means Contributions, including any payment received from an Affiliate of an Obligated Group Member, which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“Written Request” means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice Chairman, Chief Executive Officer, Executive Director, General Counsel, any Managing Director, any Assistant Director, or any other duly authorized officer of the Related Issuer and with reference to any Member means a request in writing signed by the President, Vice President or any other officers designated by such Member, as the case may be.

Series, Designation and Amount of Obligations

No Obligations may be issued under the provisions of the Master Indenture except in accordance with the Master Indenture. The total principal amount of Obligations, the number of Obligations and the series of Obligations that may be created under the Master Indenture are not limited except as shall be set forth with respect to any other series of Obligations in the Supplemental Master Indenture providing for the issuance thereof. Each series of Obligations shall be issued pursuant to a Supplemental Master Indenture. Each series of Obligations shall be designated so as to differentiate the Obligations of such series from the Obligations of any other series. Unless provided to the contrary in a Supplemental Master Indenture, Obligations shall be issued as fully registered Obligations. *(Section 2.01)*

Security for Obligations

Any one or more series of Obligations issued under the Master Indenture may, so long as any Liens created in connection therewith constitute Permitted Encumbrances, be secured by security (including without limitation letters or lines of credit, insurance or Liens on Property, including Facilities of the Obligated Group, or security interests in depreciation reserve, debt service or interest reserve or debt service or similar funds). Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). Consequently, the Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions of the Master Indenture as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto. *(Section 2.08)*

Payment of Principal, Premium, if any, and Interest

Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture), jointly and severally covenants that it will promptly pay the principal of, premium, if any, and interest on every Obligation issued under the Master Indenture at the place, on the dates and in the manner provided in the Master Indenture and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth in the Master Indenture or in the Obligations, each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time Outstanding. *(Section 4.01)*

Entrance into the Obligated Group

As of the date of execution of the Master Indenture, the Obligor is the only Member of the Obligated Group. Any other Person may become a Member of the Obligated Group if:

(a) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture not objected to by the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Agent, containing (i) the agreement of such Person (A) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of the Master Indenture and (B) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture) to jointly and severally make payments upon each Obligation at the times and in the amounts provided in each such Obligation and (ii) representations and warranties by such Person substantially similar to those set forth in the Master Indenture other than those contained in the Master Indenture if such Person is not a Tax-Exempt Organization (but with such deviations as are not objected to by the Master Trustee);

(b) The Obligated Group Agent, by appropriate action of its Governing Body, shall have approved the admission of such Person to the Obligated Group, and each of the other Members shall have taken such action, if any, required to approve the admission of such Person to the Obligated Group;

(c) The Master Trustee shall have received (1) an Officer's Certificate of the Obligated Group Agent which (A) demonstrates that (i) immediately upon such Person becoming a Member of the Obligated Group, the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, is greater than the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without

such Person becoming a Member of the Obligated Group, and (ii) immediately upon such Person becoming a Member of the Obligated Group, taking the Person becoming a Member into account, the Obligated Group would be in compliance with the Liquidity Requirement of the Master Indenture based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the Master Indenture; and (B) states that immediately after such Person becoming a Member of the Obligated Group, no event of default exists under the Master Indenture and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default as a result of the addition of such Member; (2) an opinion of Independent Counsel to the effect that (x) the Supplemental Master Indenture described in paragraph (a) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and other customary enforceability exceptions to opinions, and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status; (3) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an Opinion of Bond Counsel to the effect that under then existing law the addition of such Person to the Obligated Group, whether or not contemplated on the date of delivery of any such Related Bond, would not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable on such Bond otherwise entitled to such exemption; provided that in making the calculation called for by this heading, (i) there shall be excluded from Revenues (a) any Revenues generated by Property of such new Member transferred or otherwise disposed of by such new Member since the beginning of the Fiscal Year during which such new Member's entry into the Obligated Group occurs and (b) any Revenues generated by Property of the new Member which at the time of such new Member's entry into the Obligated Group will be categorized as Excluded Property and (ii) there shall be excluded from Expenses (a) any Expenses related to Property of such new Member transferred or otherwise disposed of by such new Member since the beginning of the Fiscal Year during which such new Member's entry into the Obligated Group occurs and (b) any Expenses related to Property of the new Member which at the time of such new Member's entry into the Obligated Group will be categorized as Excluded Property; and (4) if any Related Bonds were rated by a Rating Agency prior to the Person becoming a Member of the Obligated Group, evidence from such Rating Agency, satisfactory to the Master Trustee, that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such Person becoming a Member;

(d) (i) Exhibit A to the Master Indenture is amended to include a description of the real property of the Person becoming a Member upon which the primary operations of such Person are conducted, (ii) Exhibit B is amended to include a description of the Property of the Person becoming a Member which is to be considered Excluded Property (provided that such Property may be treated as Excluded Property only if such Property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property), (iii) Exhibit C is amended to add such Person as a Member, and (iv) Exhibit E to the Master Indenture is amended to include a description of any Permitted Encumbrances of the Person becoming a Member; and

(e) Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above-described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. (*Section 4.04*)

Cessation of Status as a Member of the Obligated Group

Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to cease to be a Member of the Obligated Group unless:

(a) the Member proposing to withdraw from the Obligated Group is not or will not be a party to any Related Loan Documents with respect to Related Bonds which remain Outstanding;

(b) prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Bond Counsel to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(c) prior to the cessation of such status, there is delivered to the Master Trustee an Officer's Certificate of the Obligated Group Agent to the effect that: (A) (i) immediately after such cessation the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account, for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account, is greater than the Historical Maximum Annual Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation, and (ii) immediately after such cessation, taking such cessation into account, the Obligated Group would be in compliance with the Liquidity Requirement of the Master Indenture based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the Master Indenture; and (B) immediately after such cessation, no event of default exists under the Master Indenture and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default as a result of the addition of such Member;

(d) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status;

(e) if any Related Bonds were rated by a Rating Agency prior to the Person withdrawing from the Obligated Group, evidence from such Rating Agency that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such Person withdrawing from the Obligated Group; and

(f) prior to cessation of such status, the Obligated Group Agent consents in writing to the withdrawal by such Member.

Upon such cessation in accordance with the foregoing provisions, (i) Exhibit A to the Master Indenture shall be amended to delete therefrom the description of any real property of the Member which has ceased being a Member of the Obligated Group and of any Permitted Encumbrances related to such real property, (ii) Exhibit B shall be amended to delete therefrom any Property of the Member which has ceased being a Member, (iii) Exhibit C shall be amended to delete therefrom the name of such Person and (iv) the Master Trustee shall be authorized to release any Lien or mortgage held by the Master Trustee upon the Property of such Member which has ceased being a Member of the Obligated Group.

Notwithstanding anything to the contrary in the Master Indenture, the Obligor shall not withdraw from the Obligated Group at any time. *(Section 4.05)*

Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest.

Each Member covenants in the Master Indenture to:

(a) Except as otherwise expressly provided in the Master Indenture (i) preserve its corporate or other separate legal existence, (ii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs as then conducted and (iii) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; provided, however, that nothing contained in the Master Indenture shall be construed to obligate such Member to retain, preserve or keep in effect the rights, licenses or qualifications no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(b) With respect to any Member which is, on the date it becomes a Member, a Tax-Exempt Organization, maintain its status as a Tax-Exempt Organization throughout the term of the Master Indenture unless (1) the Governing Body determines that such status is not necessary or useful, and (2) prior to the cessation of such status there is delivered to the Master Trustee (x) an Opinion of Bond Counsel to the effect that such change in status will not have an adverse effect on the exemption of interest on any Related Bond from federal income taxation to which such Bond is otherwise entitled or the validity or enforceability of any Related Bond, and (y) an opinion of Independent Counsel to the effect that registration of the Obligations under the Securities Act of 1933, as amended, is not required or that such Obligations have been so registered.

(c) At all times use its Facilities only in furtherance of its lawful corporate purposes and cause its business to be carried on and conducted and its Property and each part thereof to be maintained, preserved and kept in good repair (ordinary wear and tear excluded), working order and condition and in as safe condition as its operations will permit and make all necessary and proper repairs (interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen), renewals and replacements thereof so that its operations and business shall at all times be conducted in an efficient, proper and advantageous

manner; provided, however, that nothing in the Master Indenture contained shall be construed (i) to prevent it from ceasing to operate any portion of its Property, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body) it is advisable not to operate the same, or if it intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such sale or other disposition, or (ii) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(d) Pay or cause to be paid: (i) all taxes, levies, assessments and charges on account of the use, occupancy or operation of its Property, including but not limited to all sales (if applicable), use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric, light, power or other utility charges assessed or charged on or against its Property or on account of its use or occupancy thereof or the activities conducted thereon or therein; and (ii) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed during the term of the Master Indenture upon all or any part of its Property, or its interest or the interest of any Related Issuer or either of them in and to its Property, or upon its interest or the interest of any Related Issuer or the interest of either of them in the Master Indenture or the amounts payable under the Master Indenture or under the Obligations. If under applicable law any such tax, levy, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, any Member may exercise such option.

(e) Not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

(f) At its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof which may be applicable to it or any of its affairs, business, operations and Property, any part thereof, or to the use or manner of use, occupancy or condition of any of its Property or any part thereof if the failure to so comply would have a material adverse effect on the operations or financial affairs of the Obligated Group.

(g) Promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable which if not so paid, satisfied or discharged would constitute a default or an event of default under the Master Indenture.

(h) At all times comply with all material terms, covenants and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

(i) Procure and maintain all necessary licenses and permits and use its best efforts to maintain the status of its Facilities (other than those not currently having such status or not having such status on the date a Person becomes a Member under the Master Indenture) as

providers of services eligible for payment under third-party payment programs which its Governing Body determines are appropriate.

(j) In the case of the Obligor and each Member which is a Tax-Exempt Organization at the time it becomes a Member, so long as the Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, to take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

(k) comply with all applicable non-discrimination policies.

(l) In the case of the Obligor and each Member which is a Tax-Exempt Organization at the time it becomes a Member, not distribute any of its revenues, income or profits, whether realized or unrealized, to any of its members, directors or officers or allow the same to inure to the benefit of any private person, association or corporation, other than for the lawful corporate purposes of such Member, as the case may be; provided, further, that no such distribution shall be made which is not permitted by the legislation pursuant to which such Member is governed or which would result in the loss or alteration of its status as a Tax-Exempt Organization.

The foregoing notwithstanding, any Member may (i) cease to be a nonprofit corporation, (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization or (iii) distribute its revenues, income or profits to any of its members, directors or officers or allow the same to inure to the benefit of a private person, association or corporation if (1) prior thereto there is delivered to the Master Trustee an Opinion of Bond Counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Member and (2) after such action the Obligated Group could meet the conditions described in Section 415(A) for the incurrence of one dollar of additional Funded Indebtedness.

For the purposes of this heading (other than subparagraph (e) under this heading), the terms Property and Facilities shall be deemed to include Excluded Property.

No Member shall be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to in the Master Indenture, to remove any Lien required to be removed under this heading, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than Indebtedness evidenced by Obligations), demands and claims against it or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation or requirement referred to under this heading, so long as such Member shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien so contested, and the sale, forfeiture, or loss of

its Property or any part thereof, provided, that no such contest shall subject any Related Issuer, any Obligation holder or the Master Trustee to the risk of any liability. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien being contested, unless such Member agrees to settle such contest and payments under such settlement agreement are deemed to be due and payable. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Member will save all Obligation Holders and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. Each Member waives, to the extent permitted by law, any right which it may have to contest (i) any Obligation issued for the benefit of another Member or (ii) any Obligation issued to secure or in connection with Related Bonds.

If the Master Trustee shall notify such Member that, in the opinion of Independent Counsel, by nonpayment of any of the foregoing items the Property of such Member or any substantial part thereof will be subject to imminent loss or forfeiture, then such Member shall promptly pay all such unpaid items and cause them to be satisfied and discharged. (*Section 4.06*)

Insurance

Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations, and each such insurance policy shall list the Master Trustee as an additional insured and loss payee. For purposes of this heading, the term Property shall be deemed to include Excluded Property. The Obligated Group Agent shall annually review the insurance each Member maintains to determine whether such insurance is customary and adequate. In addition, the Obligated Group Agent shall (commencing with its Fiscal Year ending December 31, 2016 and every other Fiscal Year thereafter) cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee and any Related Bond Trustee within 150 days of the end of each such Fiscal Year which certificate indicates that the insurance then being maintained by the Members is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect the Obligated Group's Property and operations. The Obligated Group Agent shall cause copies of the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances; provided, however, that no Member of the Obligated Group shall self-insure any of its Property, Plant and

Equipment. Notwithstanding the above, the Obligated Group shall maintain insurance as set forth in any Related Loan Document.

The Master Trustee makes no representations as to and shall have no responsibility for the sufficiency of the insurance. (*Section 4.07*)

Rates and Charges

Each Member covenants and agrees to operate all of its Facilities on a revenue-producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it under the Master Indenture to the extent permitted by law. Each Member further covenants and agrees that it will from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of the Master Indenture.

The Members covenant and agree that upon the earlier of (i) the first full fiscal quarter following Stabilization or (ii) the fiscal quarter ending June 30, 2026, the Obligated Group Agent will calculate the Historical Debt Service Coverage Ratio of the Obligated Group as of each Testing Date (provided that for the first three Testing Dates that the Historical Debt Service Coverage Ratio is required to be computed, the Historical Debt Service Coverage Ratio shall be calculated on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed), and will deliver a copy of such calculation to the Required Information Recipients in connection with the delivery of the financial statements required by the Master Indenture. For the purposes of the Master Indenture, when calculating the Historical Debt Service Coverage Ratio of the Obligated Group, principal and interest payable on any Affiliate Related Subordinated Indebtedness shall be excluded from Debt Service Requirements.

If the Historical Debt Service Coverage Ratio of the Obligated Group is less than the Debt Service Coverage Ratio Requirement but greater than 1.00:1 for any Fiscal Year, the Obligated Group shall provide a management report, at the Obligated Group's expense, within 45 days following the delivery of the calculation described in the Master Indenture. Such report shall make recommendations and outline steps to be taken by the Obligated Group with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to generate a Historical Debt Service Coverage Ratio of at least equal to the Debt Service Coverage Ratio Requirement for the following Fiscal Year. If (a) the Historical Debt Service Coverage Ratio of the Obligated Group is less than the Debt Service Coverage Ratio Requirement for any two consecutive Fiscal Years, or (b) the Historical Debt Service Coverage Ratio of the Obligated Group is less than 1.00:1 for any Fiscal Year, the Obligated Group shall, at the Obligated Group's expense, select a Consultant within 45 days following the delivery of the calculation described in the Master Indenture to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to generate a Historical Debt Service Coverage Ratio of at least the Debt Service Coverage Ratio Requirement for the following Fiscal Year. Any Consultant selected as

required by the Master Indenture shall be approved and retained as set forth in the Master Indenture.

A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days of retaining the Consultant which 60 day period shall commence upon the last required approval under the Master Indenture. 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 such Member) and permitted by law and contract. Within 165 days of filing the Consultant's report and recommendations, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with each Member and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations. The Master Indenture 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 the Master Indenture.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year does not meet the levels required above, the Obligated Group shall not be required to retain a Consultant to make such recommendations if: (a) there is filed with each Required Information Recipient a written report of a Consultant which contains an opinion of such Consultant to the effect that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the requirements of the Master Indenture, and such report is accompanied by a concurring opinion of Independent Counsel as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Related Bond Trustee) an opinion of Independent Counsel to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Notwithstanding any other provisions of the Master Indenture, in the event that any Member of the Obligated Group incurs any Additional Indebtedness for any acquisition, construction, renovation or replacement project pursuant to any other provision of the Master Indenture, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the project or projects financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with the Master Indenture, until the first full Fiscal Year following the later of (i) the estimated completion of the acquisition,

construction, renovation or replacement project being paid for with the proceeds of such Additional Indebtedness, provided that such completion occurs no later than six months following the completion date for such project set forth in the Consultant's report described in (A) below, or (ii) the first full Fiscal Year in which Stable Occupancy is achieved in the case of acquisition, construction, renovation or replacement of any Facilities financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected in the report of the Consultant referred to in paragraph (A) below to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fourth full Fiscal Year after the incurrence of such Additional Indebtedness, if the following conditions are met:

- (A) there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II) the first full Fiscal Year following the year in which Stable Occupancy is achieved in the case of acquisition, construction, renovation or replacement of any Facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, or (III) the end of the fourth full Fiscal Year after the incurrence of such Additional Indebtedness, will be not less than 1.20:1 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided, however, that in the event that a Consultant shall deliver a report to the Master Trustee to the effect that state or Federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio shall be reduced to the highest practicable ratio then permitted by such laws or regulations but in no event less than 1.00:1; provided, however, that in the event a Consultant's report is not required to incur such Additional Indebtedness, the Obligated Group may deliver an Officer's Certificate to the Master Trustee in lieu of the Consultant's report described in this subparagraph (A); and
- (B) there is delivered to the Master Trustee an Officer's Certificate on the date on which financial statements are required to be delivered to the Master Trustee pursuant to the Master Indenture until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year, and demonstrating that such Historical Debt Service Coverage Ratio is not less than 1.00:1, such Historical Debt Service Coverage Ratio to be computed without taking into account (I) the Additional Indebtedness to be incurred if (x) the interest on such Additional Indebtedness during such period is funded from proceeds thereof or other funds of the Member then on hand and available therefor and (y) no principal of such Additional Indebtedness is payable during such period, and (II) the Revenues to be derived

from the project to be financed from the proceeds of such Additional Indebtedness.

No Event of Default relating to the requirements of this heading may be declared notwithstanding any other provision of the Master Indenture, unless (i) the Obligated Group fails to take all necessary action to comply with the procedures set forth above if the Historical Debt Service Coverage Ratio is less than the Debt Service Coverage Ratio Requirement as of a Testing Date; or (ii) the Historical Debt Service Coverage Ratio is less than 1.00:1 for the Fiscal Year ending on the initial Testing Date; or (iii) the Historical Debt Service Coverage Ratio is less than 1.00 for the second Fiscal Year following the initial Testing Date or any Fiscal Year thereafter and the Institution's Days Cash on Hand is less than 250 as of the most recent Testing Date; (iv) the Historical Debt Service Coverage Ratio is less than 1.00:1 as of any two consecutive Testing Dates; or (v) during any period in which Additional Indebtedness for any acquisition, construction, renovation or replacement project is excluded from the Historical Debt Service Coverage Ratio as described in the preceding paragraph, the Historical Debt Service Coverage Ratio is less than 1.00:1. *(Section 4.09)*

Damage or Destruction

Each Member agrees to notify the Master Trustee immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021. Each Member irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds relating to such damage or destruction, which exceeds the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as provided in the Master Indenture. If there is no event of default under the Master Indenture and such Net Proceeds do not exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000, plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021, such Net Proceeds may be paid directly to the Member suffering such casualty or loss. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed facilities, (ii) acquire or construct additional capital assets for any one or more Members, or (iii) prepay Obligations or repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

If there is no event of default under the Master Indenture and such Net Proceeds exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021, the Member suffering such casualty or loss shall within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Master Trustee one of the following three options:

(a) Option A - Repair and Restoration. Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Master Trustee and such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement or acquisition or to the repayment of such Indebtedness. So long as the Members are not in default under the Master Indenture, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of:

(1) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, improvement or acquisition and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement or acquisition; and

(2) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request (solely as to the sufficiency of the expenditures requested by the Member to complete such replacement, repair, reconstruction, restoration, improvement or acquisition) by an Independent Architect.

It is further understood and agreed that in the event such Member shall elect this Option A, such Member shall complete the replacement, repair, reconstruction, restoration, improvement and acquisition of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(b) Option B - Prepayment of Obligations. Subject to the obligations of the Members under the Master Indenture, such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee in writing to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of the Master Indenture.

(c) Option C - Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Obligations, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of the Master Indenture and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of the Master Indenture.

If an event of default exists under the Master Indenture, all Net Proceeds shall be paid to the Master Trustee and applied to the prepayment of Obligations in accordance with the provisions of the Master Indenture.

The foregoing notwithstanding, no Member will be required to comply with the Master Indenture to the extent that the Facilities damaged or destroyed were pledged as security for Non-Recourse Indebtedness incurred in accordance with the Master Indenture or Indebtedness secured by Liens imposed in accordance with paragraph (z) of the definition of Permitted Encumbrances and the documents pursuant to which such Indebtedness was incurred require Net Proceeds to be applied in a manner inconsistent with the Master Indenture. *(Section 4.10)*

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 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 referred to in the Master Indenture as an “award”), which exceeds the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as provided in the Master Indenture. If there is no event of default under the Master Indenture and such Net Proceeds do not exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, (ii) acquire or construct additional capital assets, or (iii) prepay Obligations or repay the principal portion of Indebtedness

incurred by one or more Members of the Obligated Group to acquire or construct capital assets or to refinance Indebtedness incurred for such purpose.

If there is no event of default under the Master Indenture and such Net Proceeds exceed the greater of (i) 5% of the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) \$5,000,000 plus an amount equal to \$5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of November 1, 2021, the Member in question shall within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) Option A - Repairs and Improvements. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event, so long as the Obligated Group is not in default under the Master Indenture, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of:

(1) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, improvements and acquisitions and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repairs, improvements and acquisition; and

(2) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request (solely as to the sufficiency of the expenditures requested by the Member to complete such replacement, repair, reconstruction, restoration, improvement or acquisition) by an Independent Architect.

(b) Option B - Prepayment of Obligations. Subject to the obligation of such Member under the Master Indenture, such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee in writing to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of the Master Indenture.

(c) Option C - Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be

applied as set forth in the Master Indenture and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in the Master Indenture.

(d) If an event of default exists under the Master Indenture, all Net Proceeds shall be paid to the Master Trustee and applied to the prepayment of Obligations in accordance with the provisions of the Master Indenture.

The foregoing notwithstanding, no Member will be required to comply with the Master Indenture to the extent that the Facilities condemned were pledged as security for Non-Recourse Indebtedness incurred in accordance with the Master Indenture or Indebtedness secured by Liens imposed in accordance with paragraph (z) of the definition of Permitted Encumbrances and the documents pursuant to which such Indebtedness was incurred require Net Proceeds to be applied in a manner inconsistent with the Master Indenture. *(Section 4.11)*

Other Provisions with Respect to Net Proceeds

Amounts received by the Master Trustee in respect of Net Proceeds shall, at the Written Request of the Obligated Group Agent, be deposited with the Master Trustee in a special trust account and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Agent in Permitted Investments subject to any Member's right to receive the same pursuant to the Master Indenture. If any Member elects to proceed under the Master Indenture, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations in accordance with the provisions of the Master Indenture. Notwithstanding anything in the Master Indenture to the contrary, any moneys on deposit with the Master Trustee shall be invested in accordance with, and subject to the terms of, any Related Bond Indenture or any Related Tax Regulatory Agreement, to the extent applicable. *(Section 4.12)*

Merger, Consolidation, Sale or Conveyance

(a) Each Member agrees that it will not merge into, or consolidate with, one or more corporations which are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(i) Any successor corporation to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a Person (other than a natural person) organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Master Indenture and the Mortgage to be kept and performed by such Member;

(ii) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Document or the Master Indenture;

(iii) If any Related Bonds were rated by a Rating Agency prior to such merger or consolidation, or such sale or conveyance, evidence from such Rating Agency that the rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such merger or consolidation, or such sale or conveyance;

(iv) Assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation the Obligated Group Agent shall deliver an Officer's Certificate stating (A) immediately after such merger or consolidation, sale or conveyance, the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group for the most recent Testing Date would be not less than 1.20:1, and (B) immediately after such merger or consolidation, sale or conveyance, that the Obligated Group as of the most recent Testing Date the Days Cash on Hand of the Obligated Group as set forth on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the Master Indenture would be not less than the Liquidity Requirement of the Obligated Group as set forth in the Master Indenture; and

(v) If all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee an Opinion of Bond Counsel to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds.

(b) Reserved

(c) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Master Indenture as such Member. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in the Master Indenture to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations under the Master Indenture and the predecessor corporation shall be released from its obligations under the Master Indenture and under any Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation under the Master Indenture shall in all respects have the same legal rank and benefit under the Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of the Master Indenture as though all of such Obligations had been issued under the Master Indenture by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(d) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(e) The Master Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of the Master Indenture and that it is proper for the Master Trustee under the provisions of the Master Indenture to join in the execution of any instrument required to be executed and delivered by the Master Indenture. *(Section 4.13)*

Financial Statements and Related Matters

(a) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with generally accepted principles of accounting consistently applied except as may be disclosed in the notes to the audited financial statements referred to in the Master Indenture. To the extent that generally accepted accounting principles in the United States of America would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, or as may otherwise be determined by the Obligated Group Agent, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of the Master Indenture so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Master Trustee with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Master Trustee and, in the opinion of the accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (iii) such supplemental information is used for the purposes of the Master Indenture or for any agreement, document or certificate executed and delivered in connection or pursuant to the Master Indenture.

(b) The Obligated Group Agent will furnish or cause to be furnished to (i) the Required Information Recipients, and (ii) so long as any Member has a continuing disclosure obligation under Rule 15c2-12 of the Securities and Exchange Commission, EMMA, or any similar system that is acceptable to the Securities and Exchange Commission:

(i) The following information as soon as practicable after it is available but in no event more than 30 days after the end of each month:

(A) Commencing after the issuance and delivery of the Initial Related Bonds until Stabilization, a marketing report, showing (1) the number of Reserved Independent Living Units in, and number of assisted living suites, and memory care suites Occupied at the beginning and at the end of the month, (2) the number of Residency Agreements executed during the month, net of any refunds, (3) the number of Residency

Agreements terminated during the month specifying the reason for each termination and (4) if the month end for such report is also a fiscal quarter end, whether Obligated Group is in compliance with the Marketing Targets set forth in the Master Indenture for such quarter;

(B) Commencing after the issuance of the Initial Related Bonds until Stabilization, a report prepared by the Construction Monitor on the progress of the related construction showing the dollar amount and percentage of completion of each stage of construction, comparing such amounts to the amounts estimated in the schedule of values and construction progress schedule delivered at closing, estimating the amount of funds required to complete the Facility financed or refinanced with the proceeds of the Initial Related Bonds, and certifying that the amount available in the Construction Fund established for the Initial Related Bonds will be sufficient to pay the costs of completing the Facility financed or refinanced with the proceeds of the Initial Related Bonds;

(C) Commencing after the Initial Occupancy Date until Stabilization, an occupancy report, showing (1) the number of Independent Living Units, assisted living suites, and memory care suites Occupied at the beginning and at the end of the month, (2) the number of Independent Living Units, assisted living suites, and memory care suites vacated during the month, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units as a percentage of capacity, and (4) if the month end for such report is also a fiscal quarter end, whether the Obligated Group is in compliance with the Occupancy Targets set forth in the Master Indenture for such quarter; and

(D) Commencing after the Initial Occupancy Date until Stabilization, unaudited financial statements of the Obligated Group including (i) a balance sheet (showing the balances on deposit in each fund held under any Related Bond Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) a calculation of compliance with the Cumulative Cash Loss Covenant, and (iv) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations.

(ii) The following information as soon as practicable after it is available but in no event more than 45 days after the completion of such fiscal quarter commencing with the fiscal quarter immediately following Stabilization:

(A) quarterly unaudited financial statements of the Obligated Group (including unaudited financial statements with respect to the fourth

quarter of each fiscal year), including (i) a balance sheet (showing the balances on deposit in each fund held under a Related Bond Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) a calculation of compliance with the Debt Service Coverage Ratio Covenant and, semi-annually, the Liquidity Covenant, and (iv) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations;

(B) a marketing report, showing (1) the number of Reserved Independent Living Units, and number of assisted living suites, and memory care suites Occupied at the beginning and at the end of the fiscal quarter, (2) the number of Residency Agreements executed during the fiscal quarter, net of any refunds, (3) the number of Residency Agreements terminated during the fiscal quarter specifying the reason for each termination and (4) whether Obligated Group is in compliance with the Marketing Targets set forth in the Master Indenture for such quarter; and

(C) an occupancy report, showing (1) the number of Independent Living Units, assisted living suites, and memory care suites Occupied at the beginning and at the end of the fiscal quarter, (2) the number of Independent Living Units, assisted living suites, and memory care suites vacated during the fiscal quarter, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units, assisted living suites, and memory care suites as a percentage of capacity, and (4) whether the Obligated Group is in compliance with the Occupancy Targets set forth in the Master Indenture for such quarter.

(iii) Reserved.

(iv) Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ending December 31, 2021 a copy of the consolidated annual financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles and audited by a certified public accountant, including a statement of the balances on deposit in each fund and account established under any Related Bond Indenture, and together with (1) a calculation of the Obligated Group's compliance with the Cumulative Cash Loss Covenant, the Debt Service Coverage Ratio Covenant and the Liquidity Covenant, so long as each such covenant is in effect for such Fiscal Year, and (2) a letter from such accountant to the effect that in the course of such audit nothing came to its attention to lead it to believe that any default had occurred under the Master Indenture, or specifying the nature of such default;

(v) At any time during the Fiscal Year,

(A) Copies of any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, promptly upon receipt.

(B) To the extent the Obligated Group incurs, in the aggregate, more than \$500,000 in Additional Indebtedness of a form for which there is not a CUSIP number (the “non-Public Debt”) the Obligated Group Agent will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregated debt service of the Obligated Group. To the extent that the non-Public Debt is used to construct additional units at the Facilities, the Obligated Group Agent will provide monthly reports similar to those prepared by any construction consultants for such project.

(C) Any material changes to initial Obligated Group Member’s Medicare and Medicaid Services rating, if any, promptly upon notification of the Obligated Group Agent of such rating change.

(D) A copy of initial Obligated Group Member’s annual operating and capital budgets, within 30 days after commencement of each Fiscal Year.

(E) Within thirty (30) days of any revision of the schedule of Entrance Fees or monthly fees being charged or quoted to residents or prospective residents of the Facility financed or refinanced with the proceeds of the Initial Related Bonds, a report on the amounts of such revised Entrance Fees or monthly fees for each type of unit setting forth the reasons for such revision.

(F) A copy of any actuarial report prepared for the initial Obligated Group Member with respect to its future service obligation.

(c) The Obligated Group Agent will furnish or cause to be furnished to the Required Information Recipients, on or before the date of delivery of the financial reports referred to in the Master Indenture, an Officer’s Certificate of the Obligated Group Agent (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specify all such defaults and the nature thereof, (B) calculating and certifying Cumulative Cash Loss following the Initial Occupancy Date until Stabilization; calculating and certifying Days Cash on Hand and Historical Debt Service Coverage Ratio, as of the most recent applicable Testing Date after the sooner of Stabilization or June 30, 2026; calculating the percentage of Independent Living Units that are Reserved Independent Living Units; and calculating and certifying the percentage of Independent Living Units that are Occupied, and (C) an executive summary of any actuarial reports received by the Obligated Group during the

preceding Fiscal Year, if any, with a management's discussion and analysis of results or such other discussion or analysis provided by such third parties hired by the Obligated Group Agent, which management's discussion shall include information regarding occupancy and payer mix for each level of service provided by each Obligated Group Member in its facilities.

(d) The Obligated Group Agent shall furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee, such additional information as the Master Trustee or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee or such Related Bond Trustee to determine whether the covenants, terms and provisions of the Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, resident, donor and personnel records or any other confidential information) of the Members shall, to the extent permitted by law, at all reasonable times during regular business hours and upon reasonable notice be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee.

(e) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Agent will file with each Required Information Recipient a copy of each Consultant's report or counsel's opinion required to be prepared under the terms of the Master Indenture.

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

(g) Without limiting the foregoing, each Member will permit, upon reasonable notice, the Master Trustee or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(h) The Obligated Group Agent may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by a firm of independent certified public accountants selected by the Obligated Group Agent covering the operations of the Obligated Group for such Interim Period and containing a

combined balance sheet as of the end of such Interim Period and a combined statement of changes in fund balances and changes in financial position for such Interim Period and a combined statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate written statement of the accountants preparing such report containing a calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the Interim Period and a statement that such accountants have obtained no knowledge of any default by any Member in the fulfillment of any of the terms, covenants, provisions or conditions of the Master Indenture, or if such accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof (but such accountants shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default).

(i) Notwithstanding anything in the Master Indenture to the contrary, the Master Trustee shall be under no obligation to review the financial statements received under the Master Indenture for content and shall not be deemed to have knowledge of the contents thereof. *(Section 4.14)*

Permitted Additional Indebtedness

Subject to the last paragraph of this heading, so long as any Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of an Obligation) other than:

(A) Funded Indebtedness, if prior to incurrence thereof or, if such Funded Indebtedness was incurred in accordance with another subsection under this heading and any Member wishes to have such Indebtedness classified as having been issued under this subsection (A), prior to such classification, there is delivered to the Master Trustee:

(i) An Officer's Certificate stating that the Historical Pro Forma Maximum Annual Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.20:1; or

(ii) (a) An Officer's Certificate stating that the Historical Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined financial statements reported upon by independent certified public accountants are available was not less than 1.25:1; and (b) a written Consultant's report prepared in accordance with industry standards to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group is not less than 1.35:1 for the next succeeding Fiscal Year following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II) the first full Fiscal Year following Stable Occupancy in the case of acquisition, construction, renovation or replacement of nursing

home/retirement community facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness or (III) the Fiscal Year in which such Funded Indebtedness for other purposes is being incurred; provided that such report shall include forecast balance sheets, statements of revenues and expenses and statements of changes in financial position for such Fiscal Year and a statement of the relevant assumptions upon which such forecasted statements are based, which financial statements must indicate that sufficient revenues and cash flow could be generated to pay the operating expenses of the Obligated Group's proposed and existing Facilities and the debt service on the Obligated Group's other existing Indebtedness during such Fiscal Year; or

(iii) An Officer's Certificate stating that the amount of such Funded Indebtedness, along with all other Funded indebtedness incurred under the test set forth in the Master Indenture does not exceed 10% of revenues for the most recent Fiscal Year preceding the date of the incurrence of such Funded Indebtedness.

- (B) Completion Funded Indebtedness if there is delivered to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Indebtedness is being issued stating that at the time the original Funded Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Funded Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an Independent Architect or an expert setting forth the amount estimated to be needed to complete the Facilities, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Funded Indebtedness to be applied to the completion of the Facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated loans from Affiliates or bank loans (including letters or lines of credit) and federal or state grants reasonably expected to be available, will be in an amount not less than the amount set forth in the statement of an Independent Architect or other expert, as the case may be, referred to in (ii), which amount shall be no more than 10% of Funded Indebtedness originally incurred to finance the construction of such Facilities.
- (C) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise) any Outstanding Funded Indebtedness if prior to the incurrence thereof an Officer's Certificate of a Member is delivered to the Master Trustee stating that, taking into account the issuance of the proposed Funded Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, that either (i) the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 20%, or (ii) such refunding will result in a present value savings in the Obligated Group's overall Debt Service Requirements.

(D) Short-Term Indebtedness in a total principal amount which at the time incurred does not, together with the principal amount of all other such Short-Term Indebtedness of the Obligated Group then Outstanding under this subsection (D) but excluding the principal payable on all Funded Indebtedness during the next succeeding 12 months and also excluding such principal to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increments to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal, exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; provided, however, that for a period of 20 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Indebtedness of the Obligated Group Outstanding under this subsection (D) shall be not more than 7.5% of the Revenues of the Obligated Group during the preceding Fiscal Year plus such additional amount as the Obligated Group Agent certifies in an Officer's Certificate is (a) attributable to Short-Term Indebtedness incurred to offset a temporary delay in the receipt of funds due from third party payors and (b) in the minimum amount reasonably practicable taking into account such delay. For the purposes of this subsection, Short-Term Indebtedness shall not include overdrafts to banks to the extent there are immediately available funds of the Obligated Group sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business.

(E) Balloon Indebtedness if:

(i) (1) there is in effect at the time such Balloon Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Balloon Indebtedness coming due in each consecutive 12-month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes due; and

(2) the conditions set forth in subsection (A) are met for any Fiscal Year in which 25% or more of the original principal amount of such Balloon Indebtedness comes due when it is assumed that (a) the portion of Balloon Indebtedness coming due in such Fiscal Year matures over 30 years from the date of issuance of the Balloon Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Balloon Indebtedness coming due in such Fiscal Year matures according to its actual principal amortization schedule, bears interest on the unpaid balance at the Projected Rate, but this subsection (b) shall only be used if the amortization of all Indebtedness of the Obligated Group Outstanding, when the Balloon Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than

10% per year or (c) the portion of Balloon Indebtedness coming due in such Fiscal Year bears interest at the Projected Rate and matures according to the principal amortization schedule set forth in the binding commitment described in subsection (1) above; or

(ii) the aggregate principal amount of all Balloon Indebtedness issued pursuant to this subsection (E) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; or

(iii) the Balloon Indebtedness to be incurred has a remaining term of five years or greater beginning in such fiscal year, and

(1) the Member incurring such Balloon Indebtedness establishes in an Officer's Certificate filed with the Master Trustee an amortization schedule for such Balloon Indebtedness, which amortization schedule shall provide for payments of principal and interest for each Fiscal Year that are not less than the amounts required to make any actual payments required to be made in such Fiscal Year by the terms of such Balloon Indebtedness;

(2) such Member agrees in such Officer's Certificate to deposit each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Balloon Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company) which deposit shall be made prior to any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments; and

(3) the conditions described in subsection (A) above are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness is actually payable in accordance with such amortization schedule; or

(iv) (1) there is delivered to the Master Trustee an Officer's Certificate to the effect that the Member incurring such Balloon Indebtedness intends to refinance the principal amount of such Balloon Indebtedness on or prior to the date on which it is due; and (2) the conditions set forth in subsections (A) or (C) are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years from the date of issuance of the Balloon Indebtedness; and (3) the report of the Consultant establishing the Projected Rate used to make the calculation pursuant to subsection (E)(iv) contains a statement of the Consultant that it is reasonable to assume that 30 year installment obligations (or installment obligations of such lesser term as is used to calculate annual debt service in accordance with subsection (E)(iv)) of the Obligated Group or a Member thereof can be sold.

(F) Put Indebtedness if:

(i) the amount of such Put Indebtedness does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available and the conditions set forth in subsection (A) above are met with respect to such Put Indebtedness when it is assumed that (a) such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years commencing with the next succeeding Put Date, or (b) such Put Indebtedness bears interest at the Projected Rate and is payable according to its actual principal amortization schedule, but this subsection (b) shall only be used if the debt service of all Indebtedness of the Obligated Group Outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in subsection (F)(ii)(1) below; or

(ii) (1) there is in effect at any time such Put Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Put Indebtedness on any Put Date, and (2) the conditions set forth in subsection (A) are met for any Fiscal Year in which 25% or more of the original principal amount of such Put Indebtedness may come due when it is assumed that (a) the portion of Put Indebtedness which may come due in such Fiscal Year matures over 30 years from the date of issuance of the Put Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Put Indebtedness which may come due in such Fiscal Year matures according to its actual principal amortization schedule and bears interest on the unpaid balance at the Projected Rate, but this subsection (b) shall only be used if the amortization of all Indebtedness of the Obligated Group Outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b), varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in clause (1) above; or

(iii) the aggregate principal amount of all Put Indebtedness issued pursuant to this subsection (F) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available; or

(iv) (1) there is delivered to the Master Trustee an Officer's Certificate to the effect that the Member incurring such Put Indebtedness intends to refinance the principal amount of such Put Indebtedness on or prior to the next succeeding

Put Date; and (2) the conditions set forth in subsections (A) or (C) are met with respect to such Put Indebtedness when it is assumed that such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years from the date of issuance of the Put Indebtedness; and (3) the report of the Consultant establishing the Projected Rate used to make the calculation pursuant to this subsection (F)(iv) contains a statement of the Consultant that it is reasonable to assume that 30 year installment obligations (or installment obligations of such lesser term as is used to calculate annual debt service in accordance with this subsection (F)(iv)) of the Obligated Group or a Member thereof can be sold.

- (G) Liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under the Master Indenture.
- (H) Indebtedness consisting of accounts payable incurred in the ordinary course of business or other Indebtedness not incurred or assumed primarily to assure the repayment of money borrowed or credit extended which Indebtedness is incurred in the ordinary course of business, including but not limited to deferred obligations for the refund or repayment of Entrance Fees.
- (I) Indebtedness represented by a letter of credit reimbursement agreement or standby bond purchase agreement or other similar agreement entered into by any Member and a financial institution providing either a liquidity or credit support with respect to any other Indebtedness incurred in accordance with any other provision under this heading;
- (J) Non-Recourse Indebtedness, without limit.
- (K) Extendable Indebtedness if the conditions set forth in subsection (A) above are met when it is assumed that (i) such Indebtedness bears interest at the Projected Rate and is amortized on a level debt service basis over a term equal to the remaining term of the Extendable Indebtedness or (ii) such Indebtedness bears interest at the Projected Rate and is payable in accordance with its actual amortization schedule, but only if the debt service on all Indebtedness of the Obligated Group Outstanding when the Extendable Indebtedness debt service being calculated is calculated in accordance with this subsection (ii), varies by no more than 10% per year.
- (L) Subordinated Indebtedness, without limit, provided interest and principal payments on any Subordinated Indebtedness shall be deferred unless the Historical Debt Service Coverage Ratio preceding such payment is at least 1.30:1 and the Days Cash on Hand after giving effect to such payment is at least 225. Notwithstanding, the foregoing sentence, the limitations set forth in the foregoing sentence shall not apply to Affiliate Related Subordinated Indebtedness that is incurred as a result of one or more draws under the Liquidity Support Agreement. With respect to the Subordinated Indebtedness incurred as a result of one or more

draws under the Liquidity Support Agreement, interest and principal payments shall be deferred as set forth in the Liquidity Support Agreement.

- (M) Commitment Indebtedness, without limit.
- (N) Indebtedness the principal amount of which at the time incurred, together with the aggregate principal amount of all other Indebtedness then Outstanding which was issued pursuant to the provisions of this subsection (N) and which has not been subsequently reclassified as having been issued under subsection (A), (D), (E) or (F), does not exceed 10% of the Revenues of the Obligated Group for the latest preceding Fiscal Year for which financial statements reported upon by independent certified public accountants are available provided, however, that the total amount of all Indebtedness Outstanding which was issued pursuant to the provisions of subsections (D), (E)(ii), (F)(iii) and this subsection (N) shall not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available.

It is agreed and understood by the parties to the Master Indenture that various types of Indebtedness may be incurred under any of the above-referenced subsections with respect to which the tests set forth in such subsection are met and need not be incurred under only a subsection specifically referring to such type of Indebtedness (e.g., Balloon Indebtedness and Put Indebtedness may be incurred under subsection (A) above if the tests therein are satisfied).

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection under this heading pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness; provided, however, that this requirement shall not apply to Indebtedness incurred pursuant to subsection (G) or (H) under this heading.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than Related Issuers, sellers of real or personal property for purchase money debt, lessors of such property or banks or other institutional lenders, it will provide the Master Trustee with an opinion of Independent Counsel to the effect that, to such Independent Counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the sale of securities in connection with the incurrence of such Additional Indebtedness (including the issuance of any securities or other evidences of indebtedness in connection therewith) and such Independent Counsel has no reason to believe that a right of rescission under such laws exists on the part of the entities to which such Additional Indebtedness is to be incurred.

The provisions of the Master Indenture notwithstanding, the Members of the Obligated Group may not incur any Additional Indebtedness the proceeds of which will be used for the acquisition of real Property or the construction of any Facilities unless the right, title and interest

in any assets to be financed or refinanced with the proceeds of such Additional Indebtedness and the real estate upon which such assets will be located will be mortgaged and assigned to the Master Trustee pursuant to a mortgage or deed of trust in substantially the form of the Mortgage and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances. (*Section 4.15*)

Calculation of Debt Service and Debt Service Coverage

The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of the Master Indenture shall be made in a manner consistent with that adopted in the Master Indenture. In the case of Balloon or Put Indebtedness issued pursuant to subsection (E) or (F) under the heading “Permitted Additional Indebtedness”, unless such Indebtedness is reclassified pursuant to the the Master Indenture as having been issued pursuant to another subsection under the heading “Permitted Additional Indebtedness”, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the holder to require that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date (other than at the option of such holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of the Master Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the “Determination Period”) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) which was in effect on the last date of each of the twelve full calendar months immediately preceding the month in which such calculation is made; provided that if the index or other basis for calculating such interest was not in existence for at least twelve full calendar months next preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month next preceding the date of calculation; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate. No debt service shall be deemed payable upon the exercise by a holder of Extendable Indebtedness of the option to tender such Indebtedness for payment.

Obligations issued to secure Indebtedness permitted to be incurred under the heading “Permitted Additional Indebtedness” shall not be treated as Additional Indebtedness in a manner which would require such Indebtedness to be included more than one time in the calculations performed under the Master Indenture.

No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. In addition, no Additional Indebtedness shall be deemed to arise when Indebtedness which bears interest at a variable rate of interest is converted to Indebtedness which bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed or the terms upon which Indebtedness, if Put Indebtedness, may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change.

Balloon Indebtedness incurred as provided under subsection (B) or (N) under the heading “Permitted Additional Indebtedness”, unless reclassified pursuant to the Master Indenture, shall be deemed to be payable in accordance with the assumptions set forth in subsection (E)(i)(2) under the heading “Permitted Additional Indebtedness”. Put Indebtedness incurred as provided under subsection (B) or (N) under the heading “Permitted Additional Indebtedness”, unless reclassified pursuant to the Master Indenture, shall be deemed to be payable in accordance with the assumptions set forth in subsection (F)(i) under the heading “Permitted Additional Indebtedness”.

For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Funded Indebtedness of the guarantor under such Guaranty. For the purpose of calculating any historical Debt Service Requirements, the guarantor’s Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor. For any other purpose, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; provided, however, if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed.

For purposes of the various calculations required under the Master Indenture for Capitalized Leases, the Capitalized Rentals under a Capitalized Lease at the time of such calculation shall be deemed to be the principal payable thereon.

Each Member may elect to have Indebtedness issued pursuant to one provision under the heading “Permitted Additional Indebtedness”, including without limitation subsection (N) of thereof, reclassified as having been incurred under another provision under the heading “Permitted Additional Indebtedness”, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected Rate. From and after such demonstration, such Indebtedness shall be deemed to have

been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

Anything to the contrary in the Master Indenture notwithstanding, any portion of any Indebtedness of any Member for which an Interest Rate Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Interest Rate Agreement is in effect at a net rate which takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Interest Rate Agreement; provided that the long-term credit rating of the provider of such Interest Rate Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. For the purposes of determining the Debt Service Requirements for any future period of time with respect to any Indebtedness subject to an Interest Rate Agreement satisfying the requirements of the preceding sentence (i) if the Member is required to pay a fixed rate of interest under the Interest Rate Agreement, such Indebtedness shall be deemed to bear interest at such fixed rates and (ii) if the Member is required to pay interest at a variable rate under the Interest Rate Agreement, Debt Service Requirements on such Indebtedness shall be calculated in accordance with the second paragraph under this heading. 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 the Master Indenture. *(Section 4.16)*

Sale, Lease or Other Disposition of Property

(a) Except for circumstances under the heading “Merger, Consolidation, Sale, or Conveyance” is applicable, if the amount of such Property sold, leased or otherwise disposed, for any consecutive twelve month period, will exceed 3% of the total Book Value (or Current Value if the Obligated Group Agent so elects) of all Property of the Obligated Group, each Member agrees that it will not sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including cash and investments) unless the Obligated Group Agent delivers an Officer’s Certificate to the Master Trustee stating that the Property has been transferred in one or more of the following transfers or other dispositions of Property:

- (1) In return for or replaced by other Property of equal or greater value or usefulness;
- (2) In the ordinary course of business upon fair and reasonable terms;
- (3) The Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(4) In the case of any proposed, pending or potential condemnation or taking for public or quasi-public use of the Property or any portion thereof;

(5) In connection with a merger, consolidation, sale or conveyance permitted under the Master Indenture;

(6) At the time of such transfer or disposition, the Historical Debt Service Coverage Ratio of the Obligated Group was not less than 1.30:1 for the last Fiscal Year for which audited financial statements have been delivered to the Master Trustee, and as of the end of the last fiscal quarter for which financial statements have been delivered to the Master Trustee, the Obligated Group had not less than 225 Days Cash on Hand after giving effect to the transactions;

(7) Leases listed in the definition of “Permitted Encumbrances;” or

(8) any Property that is not Mortgaged Property that is sold for fair market value.

(b) Notwithstanding subsection (a) above, if the Historical Debt Service Coverage Ratio is equal to or greater than 1.30:1, the foregoing percentage of the total Book Value or Current Value of Property that may be transferred or disposed, shall be increased as follows under the following conditions:

(1) to 5%, if Days Cash on Hand would not be less than 300 after the effect of such transfer or disposition; or

(2) to 7.5%, if Days Cash on Hand would not be less than 400 after the effect of such transfer or disposition; or

(3) to 10%, if Days Cash on Hand would not be less than 500 after the effect of such transfer or disposition.

If the Property to be disposed in accordance with the Master Indenture is Mortgaged Property, the Master Trustee shall, upon the request of the Obligated Group Agent, release such Mortgaged Property from the Mortgage pursuant to the terms of the Mortgage. Notwithstanding any of the foregoing, the Obligated Group’s right to make payments of Additional Rent under the Sublease Agreement shall not be subject to the restrictions set forth in the Master Indenture, but shall only be subject to the restrictions set forth in the Liquidity Support Agreement. (*Section 4.17*)

Liens on Property

Certain provisions of the Master Indenture notwithstanding, a Lien on Property of any Member securing Indebtedness or an Interest Rate Agreement shall be classified as a Permitted Encumbrance (as provided in clause (b) of the definition thereof) and therefore be permitted if:

(1) such Lien secures Non-Recourse Indebtedness; or

(2) (a) after giving effect to such Lien, the Book Value or, at the option of the Obligated Group Agent, the Current Value of the Property of the Obligated Group which is Encumbered is not more than 10% of the value of all of the Property of the Obligated Group (calculated on the same basis as the value of the Encumbered Property) and (b) the Obligated Group Agent delivers an Officer's Certificate stating that the conditions described in subsection (A) under the heading "Permitted Additional Indebtedness" are met for allowing the incurrence of one dollar of additional Funded Indebtedness. (*Section 4.18*)

Liquidity Covenant

The Obligated Group covenants that the Obligated Group Agent will calculate the Days Cash on Hand of the Obligated Group as of each Testing Date. The Obligated Group shall include such calculation in the Officer's Certificate delivered pursuant to the Master Indenture.

(a) If as of any Testing Date, the Days Cash on Hand of the Members of the Obligated Group is less than the Liquidity Requirement, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, deliver a management report approved by a resolution of the Governing Body of the Obligated Group Agent to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of the Days Cash on Hand to the Liquidity Requirement by the next Testing Date.

(b) If the amount of Days Cash on Hand is less than the Liquidity Requirement as of any two consecutive Testing Dates, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Days Cash on Hand to the Liquidity Requirement by the next Testing Date. Such Consultant shall be approved and retained as set forth in Section 4.29 hereof. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained (which 60 day period shall commence upon the last required approval under Section 4.29 hereof). Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law and contract. No Consultant's reports shall be required more than once in any twelve-month period.

(c) Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Liquidity Requirement for any Testing Date shall not constitute an Event of Default under the Master Indenture unless the Obligated Group fails to take all action necessary to comply with the procedures set forth above for adopting a plan or retaining a Consultant and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined by the Governing Body of the Obligated Group Agent) and permitted by law and contract. (*Section 4.25*)

Cumulative Cash Loss Covenant

(a) The Obligated Group covenants that, for the period commencing with the first full fiscal quarter following Initial Occupancy through Stabilization, the Obligated Group Agent will calculate the Cumulative Cash Loss of the Obligated Group as of each Testing Date. The Obligated Group shall include such calculation in the Officer's Certificate delivered pursuant to the Master Indenture.

(b) The Members of the Obligated Group are required to conduct business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Loss not greater than the amount set forth below:

<u>Quarter</u>	<u>Cumulative Cash Loss</u>
First	\$(2,500,000)
Second	(6,000,000)
Third	(8,500,000)
Fourth and thereafter	(9,400,000)

(a) If as of any Testing Date, the Cumulative Cash Loss of the Members of the Obligated Group is less than the amounts set forth above, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Body of the Obligated Group Agent to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to reduce of the Cumulative Cash Loss to the levels set forth above by the next Testing Date.

(b) If the Obligated Group has not reduced the Cumulative Cash Loss to the amounts required above by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, select 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 reduce the Cumulative Cash Loss to the amounts set forth above by the next Testing Date. Such Consultant shall be approved and retained as set forth in the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained (which 60-day period shall commence upon the last required approval under the Master Indenture). Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law and contract.

(c) Within 165 days of filing the Consultant's report and recommendations, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall

cause a copy of the Consultant's follow-up report to be filed with each Member and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations. An additional Consultant's report shall not be required if a breach of the Cumulative Cash Loss covenant shall occur on any Testing Date between the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

(d) Notwithstanding any other provision of this Master Indenture, failure of the Institution to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under this Master Indenture if the Obligated Group takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Members of the Obligated Group) and permitted by law. *(Section 4.26)*

Marketing Requirements

The Obligated Group covenants that, upon the date of issuance of the Initial Obligations and ending with Stabilization, and only while the Series 2021 Bonds are Outstanding, the Obligated Group Agent will calculate the percentage of Independent Living Units that are Reserved Independent Living Units at the end of each "Marketing Quarter" as set forth below. The Obligated Group shall include such calculation in the Officer's Certificate delivered pursuant to the Master Indenture.

(a) The Members of the Obligated Group covenant that during the period beginning with the date of issuance of the Initial Related Bonds and ending with Stabilization, it will market the Independent Living Units, execute Residency Agreements and collect deposits payable on execution of the Residency Agreements, so that the percentage of the 220 total Independent Living Units which are Reserved Independent Living Units, is at least equal to the "Marketing Requirements" set forth below as of the end of each "Marketing Quarter" set forth below:

<u>Marketing Quarter Ending</u>	<u>Marketing Requirements</u>	
	<u>Reserved Units</u>	<u>Percentage of Independent Living Units</u>
December 31, 2021	172	78%
March 31, 2022	175	80%
June 30, 2022	178	81%
September 30, 2022	181	82%
December 31, 2022	184	84%
March 31, 2023	187	85%
June 30, 2023,	190	86%
September 30, 2023	192	87%
December 31, 2023	194	88%
March 31, 2024	196	89%
June 30, 2024, and thereafter	198	90%

For the purpose of determining the number of Reserved Independent Living Units, any Residency Agreement covering two Independent Living Units shall count as two Reserved Independent Living Units.

(b) If as of the end of any Marketing Quarter, the percentage of Reserved Independent Living Units is less than the Marketing Requirements specified for such Marketing Quarter, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Body of the Obligated Group Agent to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to cause the number of Reserved Independent Living Units to be at least equal to the Marketing Requirements specified above at the end of the second Marketing Quarter following the Marketing Quarter in which the deficiency occurred.

(c) If the Obligated Group has not raised the percentage of Reserved Independent Living Units to the Marketing Requirements required for the Marketing Quarter immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to complete a report setting forth in detail the reasons for such deficiency and adopt a specific plan setting forth steps designed to cause the number of Independent Living Units to be at least equal to the Marketing Requirement specified above at the end of the second Marketing Quarter following the Marketing Quarter in which the deficiency occurred. Such Consultant shall be approved and retained as set forth in the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained (which 60-day period shall commence upon the last required approval under the Master Indenture). Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law and contract.

(d) Within 165 days of filing the Consultant's report and recommendations, the Obligated Group Agent shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with each Member and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations. An additional Consultant's report shall not be required if a breach of the Marketing Requirement shall occur on any Marketing Quarter between the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

(e) Failure of the Obligated Group to achieve the Marketing Requirements for any fiscal quarter will not constitute an Event of Default under this Master Indenture if the Institution takes all action necessary to comply with the procedures set forth above for preparing a management report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the as determined by the Governing Body of the Institution) and permitted by law. (*Section 4.27*)

Occupancy Requirements.

The Obligated Group covenants that, upon Initial Occupancy, and only while the Series 2021 Bonds are Outstanding, the Obligated Group Agent will calculate the percentage of Independent Living Units that are Occupied at the end of each “Occupancy Quarter” as set forth below. The Obligated Group shall include such calculation in the Officer’s Certificate delivered pursuant to the Master Indenture.

(a) The Members of the Obligated Group covenant that, commencing with the first full fiscal quarter following the Initial Occupancy Date, it will market the Independent Living Units and execute Residency Agreements and collect Initial Entrance Fees pursuant to such Residency Agreements, so that the percentage of the total Independent Living Units for which are Occupied Independent Living Units is at least equal to the “Occupancy Requirement” set forth below as of the end of each “Occupancy Quarter” set forth below.

Occupancy Quarter	Occupancy Requirements	
	Occupied Residential Units	Percentage of New Residential Units
First	25	11%
Second	50	23%
Third	75	34%
Fourth	100	45%
Fifth	116	53%
Sixth	132	60%
Seventh	143	65%
Eighth	154	70%
Ninth	160	73%
Tenth	166	75%
Eleventh	172	78%
Twelfth	177	80%
Thirteenth	182	83%
Fourteenth	187	85%
Fifteenth	192	87%
Sixteenth, and thereafter	197	90%

Each Occupancy Quarter shown above shall be a period of three calendar months, except that the first Occupancy Quarter shall end the last day of the first full fiscal quarter following Initial Occupancy. For the purpose of determining the number of Occupied Independent Living Units, any Residence Agreement covering two Independent Living Units shall count as two Occupied Independent Living Units.

(b) If at the end of any Occupancy Quarter, the Members of the Obligated Group do not achieve an Occupancy Requirement specified for such Occupancy Quarter, the Obligated Group Agent shall, within 45 days after delivery of the Officer’s Certificate disclosing such deficiency, deliver an Officer’s Certificate approved by a resolution of the Governing Body of the Obligated Group Agent to the Master Trustee setting forth in reasonable detail the reasons for such

deficiency and adopting a specific plan setting forth steps to be taken designed to cause the number of Reserved Independent Living Units or Occupied existing units to be at least equal to the Occupancy Requirement specified above at the end of the second Occupancy Quarter following the Occupancy Quarter in which the deficiency occurred.

(c) If the Obligated Group has not raised the percentage of Occupied Independent Living Units to the Occupancy Requirement required for the Occupancy Quarter immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Agent shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to complete a report setting forth in detail the reasons for such deficiency and adopt a specific plan setting forth steps designed to cause the number of Occupied Independent Living Units to be at least equal to the Occupancy Requirement specified above at the end of the second Occupancy Quarter following the Occupancy Quarter in which the deficiency occurred. Such Consultant shall be approved and retained as set forth in Section 4.29 of the Master Indenture. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained (which 60 day period shall commence upon the last required approval under the Master Indenture). Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Member) and permitted by law and contract.

(d) Within 165 days of filing the Consultant's report and recommendations, the Obligated Group shall cause the Consultant to prepare a follow-up report at the Obligated Group's expense indicating if the Consultant's recommendations were implemented and shall cause a copy of the Consultant's follow-up report to be filed with the Obligated Group Members and each Required Information Recipient within 180 days filing the Consultant's initial report and recommendations. An additional Consultant's report shall not be required if a breach of the Occupancy Requirement shall occur on any Occupancy Quarter between the delivery of an initial Consultant's report and the delivery of a related follow-up Consultant's report.

(e) Failure of the Institution to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Members of the Obligated Group) and permitted by law. (*Section 4.28*)

Approval of Consultants

(a) If at any time the Members of the Obligated Group are required to engage a Consultant under the provisions of the Master Indenture, such Consultant shall be engaged in the manner set forth below in this Section.

(b) Upon selecting a Consultant as required under the provisions of this Master Indenture, the Obligated Group Agent will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days

after receipt of notice, notify the holders of all Obligations Outstanding under the Master Indenture of such selection. Such notice 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 Indenture that require the Consultant to be engaged, and (iii) state that the holder of the Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Obligation holder submits a reasonable objection to the selected Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Obligation holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group of the number of objections. If 66.6% or more in aggregate principal amount of the holders of the Outstanding Obligations have been deemed to have consented to the selection of the Consultant or third party marketing firm or have not responded to the request for consent, the Obligated Group Agent shall engage the Consultant or third party marketing firm within three (3) Business Days. If 33.4% or more in aggregate principal amount of the holders of the Obligations Outstanding have objected to the Consultant or third party marketing firm selected, the Obligated Group Agent shall select another Consultant or third party marketing firm which may be engaged upon compliance with the procedures of the Master Indenture.

(c) When the Master Trustee notifies the holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee send a notice containing the information required by subparagraph (b) above to the owners of all of the Outstanding Related Bonds. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the response of the owners of such Related Bonds. If more than a majority in aggregate principal amount of the owners of the Related Bonds have been deemed to have consented to the selection of the Consultant, the Related Bond Trustee shall approve the Consultant. If more than a majority in aggregate principal amount of the owners of the Related Bonds have objected to the Consultant selected, the Related Bond Trustee shall not approve the Consultant.

The 15-day notice period described in (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section.

(d) All Consultant reports required under the Master Indenture shall be prepared in accordance with the then-effective industry-appropriate standards.

(e) If a Consultant is required to be engaged under two or more Sections of this Master Indenture, the requirements of those Sections may (but need not be) satisfied through the engagement of a single Consultant under a single engagement in lieu of multiple engagements. Any requirement for a Consultant's report under the Master Indenture may be satisfied by an update of a previous Consultant's Report so long as the update when taken together with the previous report satisfies the requirements of the Master Indenture.

(f) A Consultant's report under one Section of the Master Indenture may satisfy a requirement for a Consultant's report under another Section of the Master Indenture but

only if the nature of the Consultant and the substance of the report are sufficient to satisfy that requirement.

(g) The Obligated Group shall not be required to obtain a Consultant's report that satisfies the requirements of a particular Section of the Master Indenture more than one time in any twelve-month period. (*Section 4.29*)

Rating Solicitation Covenant

The Obligated Group agrees that, commencing with the Fiscal Year following Stabilization and for each Fiscal Year thereafter, and following the issuance of audited financial statements for such Fiscal Year, it will engage a Consultant (which for this purpose may include any investment banking firm experienced in the underwriting of municipal obligations of a type similar to the Related Bonds), to advise the Obligated Group as to the likelihood of the Obligated Group obtaining a rating on the Related Bonds from any Rating Agency of not less than the lowest Investment Grade Rating of such rating agency. If the Consultant determines in a writing delivered to the Obligated Group that it believes that such rating is obtainable, the Obligated Group agrees that, at its sole expense, it will undertake reasonable efforts to obtain such rating. If an Investment Grade Rating is obtained, the Institution shall have no obligation to maintain the rating so obtained or to seek any ratings upgrade, nor shall it have any further obligations under the Master Indenture. (*4.30*)

Events of Default

Each of the following events is declared an "event of default":

(a) failure of the Obligated Group to pay any installment of interest or principal, or any premium, or any other scheduled amount due on any Obligation when the same shall become due and payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise; or

(b) except as otherwise provided in the Master Indenture, failure of any Member to comply with, observe or perform any of the covenants, conditions, agreements or provisions of the Master Indenture and to remedy such default within 30 days after written notice thereof to such Member and the Obligated Group Agent from the Master Trustee or the holders of at least 25% in aggregate principal amount of the Outstanding Obligations, provided that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under the Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default under the Master Indenture if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by any Member in the Master Indenture or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation in connection with the sale of any Obligation or furnished by any Member pursuant to the Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof

and shall not be corrected or brought into compliance within 30 days after written notice thereof to the Obligated Group Agent by the Master Trustee or the holders of at least 25% in aggregate principal amount of the Outstanding Obligations; provided that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an “event of default” under the Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default under the Master Indenture if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) default in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money or in the payment of any amount due on any Interest Rate Agreement of any Member, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due and after any notice periods, or an event of default as defined in any mortgage, indenture, loan agreement or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness or Interest Rate Agreement (including any Obligation) of any Member, and which default in payment or event of default entitles the holder thereof to declare or, in the case of any Obligation, to request that the Master Trustee declare, such Indebtedness or Interest Rate Agreement due and payable prior to the date on which it would otherwise become due and payable; provided, however, that if such Indebtedness or Interest Rate Agreement is not evidenced by an Obligation or issued, incurred or secured by or under a Related Loan Document, a default in payment thereunder shall not constitute an “event of default” under the Master Indenture unless the unpaid principal amount of such Indebtedness or Interest Rate Agreement, together with the unpaid principal amount of all other Indebtedness or Interest Rate Agreement so in default, exceeds the greater of \$250,000 or 1% of unrestricted net assets of the Obligated Group;

(e) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 90 days; provided, however, that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds the greater of \$250,000 or 1% of the unrestricted net assets of the Obligated Group; or

(f) any Member admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for such Member, or for the major part of its Property; or

(g) a trustee, custodian or receiver is appointed for any Member or for the major part of its Property and is not discharged within 90 days after such appointment; or

(h) bankruptcy, dissolution, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against any Member (other than bankruptcy proceedings instituted by any Member against third parties), and if instituted against any Member are allowed against such Member or are consented to or are not dismissed, stayed or otherwise nullified within 90 days after such institution; or

(i) payment of any installment of interest or principal, or any premium, on any Related Bond shall not be made when the same shall become due and payable under the provisions of any Related Bond Indenture; or

(j) any event of default shall occur under the Mortgage or any mortgage executed pursuant to the last paragraph under the heading “Permitted Additional Indebtedness.”

Upon the Master Trustee’s receipt of notice of the occurrence and during the continuance of an event of default described in the Master Indenture as provided in subsection (g) under the heading “Acceptance of Trusts”, or of which by said subsection the Master Trustee is deemed to have notice, the Master Trustee shall give the Obligated Group Agent the Notice described in the Master Indenture. *(Section 5.02)*

Acceleration

If an event of default has occurred and is continuing under the Master Indenture, the Master Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of Outstanding Obligations, shall, by notice in writing delivered to the Obligated Group Agent, declare the entire principal amount of all Obligations then Outstanding under the Master Indenture and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of the Master Indenture with respect to waivers of events of default. *(Section 5.03)*

Remedies, Rights of Obligation Holders

Upon the occurrence of any event of default under the Master Indenture, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations Outstanding under the Master Indenture and any other sums due under the Master Indenture and may collect such sums in the manner provided by law out of the Property of any Member wherever situated.

If an event of default shall have occurred and is continuing under the Master Indenture, and if it shall have been requested so to do by the holders of 25% or more in aggregate principal amount of Obligations Outstanding who requested or was entitled to request pursuant to the Master Indenture that the Master Trustee accelerate the Obligations and if it shall have been indemnified as provided in subsection (k) under the heading “Acceptance of Trusts”, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the provisions under this heading as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; provided, however, that the Master Trustee shall have the right to

decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of the Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the holders of Obligations under the Master Indenture now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default under the Master Indenture, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon. (*Section 5.04*)

Direction of Proceedings by Holders

The holders of a majority in aggregate principal amount of the Obligations then Outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to the Master Indenture and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture and the Mortgage, or for the appointment of a receiver or any other proceedings under the Master Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction.

The foregoing notwithstanding, the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; provided,

however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken. *(Section 5.05)*

Appointment of Receivers

Upon the occurrence of an event of default (beyond any applicable notice and cure period), and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Obligations under the Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged under the Master Indenture and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer. *(Section 5.06)*

Application of Moneys

All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of the Master Indenture (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows:

(a) Unless the principal of all the Obligations shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on any Debt Obligations which shall have become due (other than Debt Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of the Master Indenture) and of any amounts which have become due under any Hedging Obligation, in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full the Obligations due on any particular date, then to the payment ratably, according to the amount of principal, premium and other amounts due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: To the payment to the persons entitled thereto of any other amounts which have become due under any and all Obligations.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment of the principal, premium, if any, and interest then due and unpaid and any other amounts which have become due under any and all Obligations (including Hedging Obligations) without preference or priority of principal, premium, interest or other amounts over the others, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, interest and other amounts to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Master Indenture, then, subject to the provisions of paragraph (b) above in the event that the principal of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of the Master Indenture, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine in its sole discretion, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this heading and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Obligated Group Agent on behalf of the Members. *(Section 5.07)*

Remedies Vested in Master Trustee

All rights of action including the right to file proof of claims under the Master Indenture or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Obligations, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Obligations. *(Section 5.08)*

Rights and Remedies of Obligation Holders

No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or for the execution of any trust of the Master Indenture or for the appointment of a receiver or any other remedy under

the Master Indenture, unless a default shall have become an event of default and the holders of 25% or more in aggregate principal amount (i) of the Obligations which have become due and payable in accordance with their terms or have been declared due and payable pursuant to the Master Indenture and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Obligations then Outstanding in the case of any other exercise of power, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers before granted in the Master Indenture or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as provided in the Master Indenture, and unless the Master Trustee shall thereafter fail or refuse to exercise the powers before granted in the Master Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of the Master Indenture and to any action or cause of action for the enforcement of the Master Indenture, or for the appointment of a receiver or for any other remedy under the Master Indenture; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Master Indenture by its, his or their action or to enforce any right under the Master Indenture except in the manner provided in the Master Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Master Indenture and for the equal benefit of the holders of all Obligations Outstanding. Nothing in the Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of the Members to pay the principal, premium, if any, and interest on each of the Obligations issued under the Master Indenture to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed. *(Section 5.09)*

Termination of Proceedings

In case the Master Trustee shall have proceeded to enforce any right under the Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case the Members and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Master Indenture with respect to the Property pledged and assigned under the Master Indenture, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken. *(Section 5.10)*

Waiver of Events of Default

If, at any time after the principal of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the Master Indenture and before the acceleration of any Related Bond, any Member shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate

borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under the Master Indenture, other than the nonpayment of principal of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case the holders of not less than a majority in aggregate principal amount of all Obligations then Outstanding who requested or was entitled to request the giving of notice of acceleration, by written notice to the Obligated Group Agent and to the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon. *(Section 5.11)*

Members' Rights of Possession and Use of Property

So long as each Member is in compliance with the terms and provisions of the Master Indenture, each Member shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee. *(Section 5.12)*

Related Bond Trustee or Bondholders Deemed to be Obligation Holders

For the purposes of the Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds shall be deemed the holders of the Obligations to the extent of the principal amount of the Obligations to which their Bonds relate. *(Section 5.13)*

Lock-Box Provisions

Upon the occurrence and during the continuance of a payment event of default described in the Master Indenture, the Master Trustee shall give to the Obligated Group Agent a notice (the "Lock-Box Notice") referring to the Master Indenture. Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within seven (7) days the Obligated Group Agent will (i) engage a Consultant (which Consultant is not objected to by the Master Trustee) to review the operating budget of the Obligated Group as required by the Master Indenture and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Agent and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the "Lock-Box Budget"), will be sent to the Obligated Group Agent and the Master Trustee. In the event that the Obligated Group Agent fails to submit a proposed operating budget to the Consultant and the Master Trustee, the Consultant will modify the operating budget last submitted to the Consultant as it deems appropriate under the then existing circumstances and such modified operating

budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Obligated Group Agent and the Master Trustee. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Agent to pay operating expenses only in accordance with the Lock-Box Budget.

If at any time following a Lock-Box Notice all amounts due to the Master Trustee have been paid in full, the Master Trustee will notify the Obligated Group Agent in writing that the lock-box provisions of the Master Indenture are suspended. Additionally, the Master Trustee may in its discretion at any time agree to suspend such lock-box provisions by so notifying the Obligated Group Agent in writing. Thereafter, unless and until any subsequent Lock-Box Notice is received by the Obligated Group Agent, Gross Revenues need not be deposited with the Master Trustee. *(Section 5.14)*

Remedies Subject to Provisions of Law

All rights, remedies and powers provided by the Master Indenture may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of the Master Indenture are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render such instrument or the provisions of the Master Indenture invalid or unenforceable under the provisions of any applicable law. *(Section 5.15)*

Acceptance of Trusts

The Master Trustee accepts and agrees to execute the trusts imposed upon it by the Master Indenture, but only upon the terms and conditions set forth therein. The Master Trustee, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Master Indenture. The Master Trustee shall not be liable in connection with the performance of such duties, except with respect to its own negligence and willful misconduct. No implied covenants or obligations should be read into the Master Indenture against the Master Trustee. If an event of default under the Master Indenture shall have occurred and be continuing, the Master Trustee shall exercise such of the rights and powers vested in it by the Master Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such person's own affairs. The Master Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Master Trustee may execute any of the trusts or powers of the Master Indenture and perform any of its duties by or through attorneys, agents, receivers, or employees and shall not be responsible for the misconduct or negligence of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts of the Master Indenture and duties thereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in

connection with the Master Indenture. The Master Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or selected or retained by any Member in the exercise of such care. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Master Trustee shall not be responsible for any recital in the Master Indenture, or in the Obligations (except with respect to the certificate of the Master Trustee endorsed on the Obligations), or for the investment of moneys as provided in the Master Indenture (provided that no investment shall be made by the Master Trustee except in compliance with the provisions of the Master Indenture applicable to such investment), or for the recording or re-recording, filing or re-filing of the Master Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Obligor of the Master Indenture, or by any Member of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Obligations issued thereunder or intended to be secured thereby, or for the value or title of the Property conveyed in the Master Indenture or otherwise as to the maintenance of the security of the Master Indenture. The Master Trustee may (but shall be under no duty to) require of any Member full information and advice as to the performance of the covenants, conditions and agreements in the Master Indenture and shall use its best efforts, but without any obligation, to advise the Members of any impending default known to the Master Trustee. The Master Trustee shall have no obligation to perform any of the duties of the Obligated Group under the Master Indenture, nor any obligation to monitor the Obligated Group's compliance with the terms of the documents executed and delivered in connection with the issuance of Related Bonds.

(c) The Master Trustee shall not be accountable for the use or application by the Obligated Group of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Master Trustee in accordance with the provisions of the Master Indenture or for the use and application of money received by any Paying Agent. The Master Trustee may become the owner of Obligations secured with the same rights it would have if it were not Master Trustee.

(d) The Master Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be in the proper form, genuine and to have been signed or sent by the proper person or persons. Any action taken by the Master Trustee pursuant to the Master Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Obligation shall be conclusive and binding upon all future owners of the same Obligation and upon Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to rely upon a certificate signed on behalf of any Member by its President, any Vice-President, and any other authorized officer of the Member as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Master Trustee has been notified as provided in

subsection (g) below, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a certificate of the President, any Vice President, or any other authorized officer of the Member to the effect that a resolution in the form therein set forth has been adopted by such Member as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Master Trustee to do things enumerated in the Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any event of default under the Master Indenture except failure by the Obligated Group to cause to be made any of the payments to the Master Trustee required to be made by the Master Indenture unless the Master Trustee shall be specifically notified in writing of such default by a Member, by the written report of nationally recognized independent certified public accountants required by the Master Indenture, by any Related Bond Trustee or by the holders of at least 25% in aggregate principal amount of all Obligations then Outstanding and all notices or other instruments required by the Master Indenture to be delivered to the Master Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Master Trustee, and in the absence of such notice so delivered, the Master Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times and upon reasonable notice, the Master Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of any Member pertaining to the Obligations, and to take such memoranda from and in regard thereto as may be reasonably desired.

(i) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything contained elsewhere in the Master Indenture, the Master Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Obligation, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of the Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms of the Master Indenture required as a condition of such action by the Master Trustee reasonably requested by the Master Trustee to discharge its duties, for the purpose of establishing the right of any Member to the authentication of any Obligations, the withdrawal of any cash, the release of any property or the taking of any other action by the Master Trustee.

(k) Before taking any action under the Master Indenture other than making payments of principal and interest on the Obligations as they become due and causing an acceleration of the Obligations when required by the Master Indenture, the Master Trustee may require that a

satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances, and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(l) All moneys received by the Master Trustee or any Paying Agent shall, until used or applied or invested as provided in the Master Indenture, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by the Master Indenture. Neither the Master Trustee nor any Paying Agent shall be under any liability for interest on any moneys received under the Master Indenture except such as may be agreed upon.

(m) The Master Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to any Related Bonds or any Obligations except with respect to any such information, statement or recital submitted by the Master Trustee for such purpose.

(n) The Master Trustee shall not be required to monitor the financial condition of the Members or the physical condition of the Mortgaged Property. Furthermore, the Master Trustee shall be under no obligation to analyze, review or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents to any Person to whom the Master Trustee may provide such information pursuant to the Master Indenture.

(o) All moneys received by the Master Trustee shall be held in trust in the manner and for the purpose for which they were received but need not be segregated from other moneys held by the Master Trustee, except to the extent required by the Master Indenture or by law. The Master Trustee shall not be liable for interest on any moneys received under the Master Indenture.

(p) In no event shall the Master Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Master Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action. *(Section 6.01)*

Resignation by the Master Trustee

The Master Trustee and any successor Master Trustee may at any time resign from the trusts created by giving thirty days' written notice to the Obligated Group Agent and by registered or certified mail to each registered owner of Obligations then Outstanding and to each holder of Obligations as shown by the list of Obligation Holders required by the Master Indenture to be kept at the office of the Master Trustee. Such resignation shall take effect at the end of such thirty days or when a successor Master Trustee has been appointed and has assumed the trusts created by the Master Indenture, whichever is later, or upon the earlier appointment of a successor Master Trustee by the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding or by the Obligated Group. If a successor Master

Trustee has not accepted its appointment within such 30-day period, the current Master Trustee may apply to a court of competent jurisdiction to appoint a successor Master Trustee to act until such time, if any, as a successor shall have so accepted its appointment. Such notice to the Obligated Group Agent may be served personally or sent by registered or certified mail. *(Section 6.07)*

Removal of the Master Trustee

The Master Trustee may be removed at any time by giving thirty days' written notice, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Obligated Group Agent, and signed by the registered owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding. So long as no event of default has occurred and is continuing under the Master Indenture, and no event shall have occurred which, with the passage of time or the giving of notice or both would become such an event of default under the Master Indenture, the Master Trustee may be removed at any time by an instrument in writing signed by the Obligated Group Agent and delivered to the Master Trustee. The foregoing notwithstanding, but subject to the Master Indenture, the Master Trustee may not be removed by the Obligated Group Agent unless written notice of the delivery of such instrument or instruments signed by the Obligated Group Agent is mailed to the owners of all Obligations Outstanding under the Master Indenture, which notice indicates the Master Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective on the 60th day next succeeding the date of such notice, unless the owners of not less than 10% in aggregate principal amount of such Obligations then Outstanding under the Master Indenture shall object in writing to such removal and replacement. *(Section 6.08)*

Appointment of Successor Master Trustee by the Obligated Group and Obligation Holders; Temporary Master Trustee

In case the Master Trustee under the Master Indenture shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting under the Master Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Obligated Group, or by the owners of not less than a majority in aggregate principal amount of Obligations then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized, with the approval of the Obligated Group so long as the Obligated Group is not in default, or potentially in default, under the Master Indenture. If a successor trustee shall not have been appointed within 30 days after notice of resignation by or removal of the Master Trustee, the Obligated Group or any holder of an Obligation may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Trustee appointed pursuant to the provisions of the Master Indenture shall be a trust company or bank in good standing under the law of the jurisdiction in which it was created and by which it exists, having corporate trust powers and subject to examination by federal or state authorities, and having a reported capital and surplus of not less than \$50,000,000. *(Section 6.09)*

Supplemental Master Indentures and Amendments to the Mortgage Not Requiring Consent of Obligation Holders

Subject to the limitations set forth in the Master Indenture with respect to the provisions under this heading, the Members and the Master Trustee may, but without the consent of, or notice to, any of the Obligation Holders, amend or supplement the Master Indenture or the Mortgage for any one or more of the following purposes:

(b) To cure any ambiguity or defective provision in or omission from the Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or the Mortgage or adversely affect the holder of any Obligation;

(c) To grant to or confer upon the Master Trustee for the benefit of the Obligation Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation Holders and the Master Trustee, or either of them, to add to the covenants of the Members for the benefit of the Obligation Holders or to surrender any right or power conferred under the Master Indenture or under the Mortgage upon any Member;

(d) To assign and pledge under the Master Indenture or the Mortgage any additional revenues, properties or collateral;

(e) To evidence the succession of another corporation to the agreements of a Member or the Master Trustee, or the successor of any thereof under the Master Indenture;

(f) To permit the qualification of the Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter in effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(g) To provide for the refunding or advance refunding of any Obligation;

(h) To provide for the issuance of Obligations;

(i) To reflect the addition to or withdrawal of a Member from the Obligated Group;

(j) To provide for the issuance of Obligations with original issue discount, provided such issuance would not materially adversely affect the holders of Outstanding Obligations;

(k) To permit an Obligation to be secured by security which is not extended to all Obligation Holders;

(l) To modify or eliminate any of the terms of the Master Indenture; provided, however, that such Supplemental Master Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Obligation Outstanding of any series created prior to the execution of such Supplemental Master Indenture; and

(m) To permit the issuance of Obligations which are not in the form of a promissory note;

(n) Provide for the release in accordance with the provisions of the Master Indenture or the Mortgage of any Property subject to the lien of the Mortgage; and

(o) To make any other change which, in the opinion of the Master Trustee (which opinion may be based upon the advice or opinion of Independent Counsel), does not materially adversely affect the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee, including without limitation any modification, amendment or supplement to the Master Indenture or any indenture supplemental to the Master Indenture or the Mortgage or any amendment thereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

(p) Any Supplemental Master Indenture providing for the issuance of Obligations shall set forth the date thereof, the date or dates upon which principal of, premium, if any, and interest on such Obligations shall be payable, the other terms and conditions of such Obligations, the form of such Obligations and the conditions precedent to the delivery of such Obligations which shall include, among other things:

(i) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by such Obligations;

(ii) delivery to the Master Trustee of an opinion of Independent Counsel to the effect that all requirements and conditions to the issuance of such Obligations, if any, set forth in the Master Indenture and in the Supplemental Master Indenture have been complied with and satisfied; and

(iii) delivery to the Master Trustee of an opinion of Independent Counsel to the effect that registration of such Obligations under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Obligated Group has complied with all applicable provisions of said Act.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (m) above, the Master Trustee shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each Rating Agency then maintaining a rating on any then-outstanding Obligations or Related Bonds, in the manner provided in the Master Indenture or in the documents related to such Related Bonds at least 15 days prior to the execution of such Supplemental Master Indenture, which notice shall include a copy of the proposed Supplemental Master Indenture.

If any Supplemental Master Indenture is entered into pursuant to the Master Indenture, the Master Trustee shall send notice of the execution thereof to any remarketing agents of Related Bonds.

In connection with the execution and delivery of any Supplemental Master Indenture to be entered into under the provisions of the Master Indenture, the Master Trustee shall receive and may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Master Indenture complies with the foregoing conditions and provisions. (*Section 7.01*)

Supplemental Master Indentures and Amendments to the Mortgage Requiring Consent of Obligation Holders

In addition to Supplemental Master Indentures covered by the Master Indenture and subject to the terms and provisions contained in this heading, and not otherwise the holders of not less than a majority in aggregate principal amount of the Obligations which are Outstanding under the Master Indenture at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage or, in case less than all of the several series of Obligations Outstanding are affected thereby, the holders of not less than majority in aggregate principal amount of the Obligations of the series affected thereby which are Outstanding under the Master Indenture at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage, shall have the right, from time to time, anything contained in the Master Indenture or in the Mortgage to the contrary notwithstanding, to consent to and approve the execution by the Members and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Master Indenture; provided, however, that nothing contained in the Master Indenture shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount of Obligations the holders of which are required to consent to any such Supplemental Master Indenture or amendment to the Mortgage or any such amending or supplementing instruments, without the consent of the holders of all the Obligations at the time Outstanding which would be affected by the action to be taken, (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee or (d) permit the creation of any Lien ranking prior to the lien of the Master Indenture with respect to any of the Trust Estate or terminate the lien of the Master Indenture or the Mortgage on any Property at any time subject to the Master Indenture or Mortgage (other than as may otherwise be provided in the Master Indenture or the Mortgage); provided further that no such modification shall be made if it materially adversely affects the provisions of the Master Indenture concerning the conditions precedent to a Person becoming a Member, the conditions precedent to cessation of status as a Member, the maintenance of the Obligated Group's Property free and clear of Liens other than Permitted Encumbrances, the definition of Permitted Encumbrances or transactions with or transfers to Members and other entities without the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Obligations of each series affected thereby.

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 clause (a) above may be made with respect to Outstanding Obligations with the consent of the Owners of not less than

eighty percent (80%) in aggregate principal amount of Obligations then Outstanding which are affected by such amendment; provided, however, any such amendment shall not result in a preference or priority of any Obligations then Outstanding over any other Obligations then Outstanding.

If at any time the Obligated Group Agent shall request the Master Trustee to enter into any such Supplemental Master Indenture for any of the purposes of the provisions under this heading, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Indenture to be mailed by first class mail postage prepaid to each holder of an Obligation or, in case less than all of the series of Obligations are affected thereby, of an Obligation of the series affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the designated corporate trust office of the Master Trustee for inspection by all Obligation Holders. The Master Trustee shall not, however, be subject to any liability to any Obligation Holder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided under this heading. If the holders of not less than a majority or not less than eighty percent in aggregate principal amount of the Obligations or the Obligations of each series affected thereby, as the case may be, which are Outstanding under the Master Indenture at the time of the execution of any such Supplemental Master Indenture shall have consented to and approved the execution thereof as provided in the Master Indenture, no holder of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Master Indenture as in the Master Indenture permitted and provided, the Master Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purpose of obtaining the foregoing consents, the determination of who is deemed the holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in the Master Indenture.

If any Supplemental Master Indenture is entered into pursuant to the provisions under this heading, the Master Trustee shall send notice of the execution thereof to any remarketing agents of Related Bonds. (*Section 7.02*)

Defeasance

If the Members shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of the Master Indenture, any Obligations owned by a Member) Outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations Outstanding, as and when the same become due and payable;

(b) by depositing with an escrow agent, which may be the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine sufficient (which determination may be based upon a report of a firm of independent certified public accountants) to pay or redeem (when redeemable) all Obligations Outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the written direction of the Obligated Group Agent in Escrow Obligations, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations Outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the written direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations Outstanding; or

(d) by depositing with an escrow agent, which may be the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations Outstanding at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable under the Master Indenture by the Obligated Group and, if any such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then and in that case (but subject to the provisions of the Master Indenture) the Master Indenture and the estate and rights granted under the Master Indenture shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon Written Request of the Obligated Group Agent, and upon receipt by the Master Trustee of an Officer's Certificate from the Obligated Group Agent and an opinion of Independent Counsel not objected to by the Master Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging the Master Indenture and the lien thereof. The satisfaction and discharge of the Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection with the Master Indenture. The foregoing notwithstanding, the liability of the Obligated Group in respect of the Obligations shall continue until paid in full, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

Any moneys, funds, securities, or other property remaining on deposit under the Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of the Master Indenture, forthwith be transferred, paid over and distributed to the Obligated Group.

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which the Obligated Group may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired. (*Section 8.01*)

Provision of Payment of a Particular Series of Obligations or Portion Thereof

If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose under this heading, any such Obligations owned by a Member) in one of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations of such series or portion thereof Outstanding, as and when the same shall become due and payable;

(b) by depositing with an escrow agent, which may be the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof Outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date), provided that such moneys, if invested, shall be invested at the written direction of the Obligated Group Agent in Escrow Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof Outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the written direction of the Obligated Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof Outstanding; or

(d) by depositing with an escrow agent, which may be the Master Trustee, in trust, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable under the Master Indenture by the Obligated Group with respect to such series of Obligations or portion thereof, and, if any such Obligations of such series or portion thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case (but subject to the provisions of the Master Indenture) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The foregoing notwithstanding, the liability of the Obligated Group in respect of such Obligations shall continue but the holders thereof shall thereafter be entitled to

payment (to the exclusion of all other Obligation Holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. *(Section 8.02).*

Conditions to Defeasance

Prior to any defeasance becoming effective as provided in the Master Indenture, there shall have been delivered to the Master Trustee (A) an Opinion of Bond Counsel to the effect that interest on any Obligation being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Master Trustee) to the effect that the moneys and/or Escrow Obligations are sufficient, without reinvestment, to pay the indebtedness of the Obligation to be defeased. *(Section 8.04).*

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Summary of Certain Provisions of the Mortgage and Security Agreements

The following is a summary of certain provisions of the Mortgages. Certain provisions of the Mortgages, are also described in the Preliminary Official Statement. This summary does not purport to be complete and reference is made to the Mortgages, for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Mortgages and are included for ease of reference only.

Grant of Mortgage Lien

To secure payment of the principal sum of _____ AND 00/100 DOLLARS (\$_____) in lawful money of the United States of America, the maximum principal amount which is or under any contingency may be secured by the Mortgage, to be paid according to the terms of the Series 2021 Obligation and the Master Indenture, with interest thereon to be computed at the per annum rate specified in the Series 2021 Obligation and the Master Indenture, together with redemption premium, if any, and any and all other sums which may from time to time become due and payable to the Mortgagee by reason of the exercise of any of its rights and remedies under the Master Indenture, as the case may be (such principal, interest, fees, expenses and other amounts being collectively referred to as the **“Payments”**), and to secure the payment and performance of all obligations of the Institution under the Series 2021 Obligation and the Master Indenture, and in consideration of Ten Dollars (\$10.00) in hand paid, receipt whereof is acknowledged by the Mortgage, Mortgagor does mortgage, grant, bargain, sell, assign, transfer, pledge, warrant and grant a security interest unto the Mortgagee, its successors and assigns, its interest in and to the following described property, property rights and proceeds thereof (collectively, the **“Mortgaged Property”**) whether now owned or held or hereafter acquired:

- A. The subleasehold interests of the Mortgagor in the Land, as more particularly described in Exhibit A attached to the Mortgage;
- B. All buildings, structures and other improvements, now or hereafter erected on the Land (collectively, the **“Improvements”**);
- C. All of the right, title and interest of the Mortgagor in and to all streets, roads, pedestrian walkways, tunnels, vault areas and public places, opened or proposed, in front of, adjacent to or adjoining the Land, the Improvements or any part thereof and all air rights, development rights, parking areas, easements and rights of way, public or private, now or hereafter used in connection therewith (collectively, the **“Appurtenances”**);
- D. All of the right, title and interest of the Mortgagor in and to all plans, specifications, surveys, licenses, permits, contracts, building materials, supplies, equipment, fixtures and fittings of every kind or character which are acquired in whole or in part for the purpose of being used or useful in connection with the acquisition, renovation, use, operation and equipping of the Mortgaged Property, whether such materials, supplies, equipment, fixtures and fittings are now owned or hereafter acquired by the Institution, together with all additions thereto,

substitutions therefor and replacements thereof and the proceeds thereof (collectively, the “**Building Materials**”);

E. All of the right, title and interest of the Mortgagor in and to all machinery, apparatus, equipment, fittings, fixtures and articles of personal property which are acquired in whole or in part for the purpose of being installed in, attached to or used in connection with the present or future use of the Land or the present or future operation or maintenance of the Improvements, whether such machinery, apparatus, equipment, fittings, fixtures and articles of personal property are now owned or hereafter acquired by the Institution, together with all additions thereto, substitutions therefor and replacements thereof and the proceeds thereof (collectively, the “**Equipment**”);

F. All of the right, title and interest of the Mortgagor in and to all awards heretofore made and hereafter to be made by reason of a taking or condemnation affecting the Land, the Improvements, the Appurtenances, the Building Materials, the Equipment or any part thereof appurtenant thereto by competent authority as a result of the exercise of the power of eminent domain, including, but not limited to, any awards or payments for use and occupation or for change of grade of streets (collectively, the “**Condemnation Awards**”); and

G. All of the right, title and interest of the Mortgagor in and to all insurance proceeds heretofore paid and hereafter to be paid by reason of any loss or damage to the Improvements, the Building Materials, the Equipment or any part thereof by fire, flood or other casualty (collectively, the “**Casualty Insurance Proceeds**”).

all of which rights, titles, interests and estates, together with all other incidents of ownership therein and all further and additional rights, titles, interests and estates which the Mortgagor may hereafter acquire therein, are intended to be covered by the lien of the Mortgage and/or the security interest created by the Mortgage.

Events of Default

The occurrence and continuance of any one or more of the following events shall constitute an “Event of Default” under the Mortgage:

(a) the Institution shall fail to pay the principal of, redemption premium, if any, interest on or any other debt charges in respect of the Series 2021 Obligation when the same shall become due, whether on an interest payment date, upon redemption, at maturity, upon acceleration, or otherwise; or

(b) the Institution shall fail to pay any amount due and owing under the terms of the Master Indenture; or

(c) the Institution shall fail to observe or perform any covenant, condition or agreement on its part to be performed under the Mortgage, and the Institution shall fail to remedy such default within a commercially reasonable time, not to exceed fifteen (15) days, after notice

by Mortgagee to Institution of such default; provided, however, that if any such default cannot be cured within such fifteen (15) day period, the Institution shall be afforded up to an additional forty-five (45) days to cure such default provided the Institution shall have commenced such cure within such initial fifteen (15) day period and shall thereafter diligently continue to cure such default; or

(d) the occurrence and continuation of an Event of Default under the Master Indenture; or

(e) any “Event of Default” occurs and is continuing under any of the other Bond Documents;

(f) any “event of default” occurs and is continuing under the Ground Sub-Lease; or

(g) if the Institution shall release or sell any Mortgaged Property without the Master Trustee’s prior written consent under the Master Indenture (other than as permitted by the terms of the Master Indenture), which consent may be given or withheld in Mortgagee’s reasonable discretion.

Rights and Remedies Upon Default

Upon the occurrence of any Event of Default and during its continuance under the Mortgage, the Mortgagee may exercise any one or more of the following rights and remedies:

(a) Right to Cure Default. The Mortgagee shall have the right, but not the obligation, to comply with, perform or observe any covenant or obligation which Mortgagor has failed to comply with, perform or observe under any of the Bond Documents and shall have the right to enter the Mortgaged Property at any time and from time to time for the purpose of curing such default, and any amounts so paid by the Mortgagee or the costs of such performance, together with all costs and expenses incurred by the Mortgagee in connection with such payment or performance, including, but not limited to, reasonable and actual attorneys’ fees and disbursements and interest on all such amounts, costs and expenses at the per annum rate of ten percent (10%), but in no event in excess of the maximum interest rate permitted by law, shall be paid by the Mortgagor to the Mortgagee on demand. Until so paid, all such amounts, costs and expenses, together with interest thereon, shall be secured by the Mortgage and, if not paid, may be added to the judgment in any foreclosure action.

(b) Right to Accelerate Bonds. The Mortgagee may declare the entire unpaid principal amount, accrued interest and any other fees and expenses evidenced by the Series 2021 Obligation and secured by the Mortgage to be due and payable, in which event said amount shall immediately become due and payable.

(c) Right to Foreclose Mortgage. The Mortgagee may foreclose the Mortgage and sell, if permitted by law, or petition to be sold, the Mortgaged Property in one or more parcels or in several interests or portions in such manner as a court of competent jurisdiction may direct. If permitted by law, the Mortgagee may foreclose the Mortgage for any portion of the indebtedness or any other sums secured by the Mortgage which are then due and payable, subject to the continuing lien of the Mortgage for the balance of the indebtedness not then due. If any real

property transfer tax shall be due and payable upon the conveyance of the Mortgaged Property or any portion thereof pursuant to a judicial sale in any foreclosure action or by deed in lieu of foreclosure, the Mortgagor shall pay the same. In the event that the Mortgagor fails to pay any such tax within ten (10) days after notice and demand for payment is given by the Mortgagee, the Mortgagee may pay the same, and any amount thereof so paid by the Mortgagee, together with all costs and expenses incurred by the Mortgagee in connection with such payment, including, but not limited to, reasonable legal fees and disbursements, and interest on all such amounts, costs and expenses at the per annum rate of ten percent (10%), but in no event in excess of the maximum interest rate permitted by law, shall be paid by the Mortgagor to the Mortgagee on demand. The Mortgagee shall apply all proceeds of a foreclosure first, to all reasonable costs and expenses, including legal fees and expenses and costs incurred in connection with the foreclosure of the Mortgage, second, to the payment of all outstanding taxes and special assessments, and third, to the payment of the indebtedness secured under the Mortgage. Until so paid, all such amounts, costs and expenses, together with interest thereon, shall be secured by the Mortgage and, if not paid, may be added to the judgment in any foreclosure action.

(d) Right to Appointment of Receiver. The Mortgagee shall be entitled, without notice, without regard to the adequacy of any security for the indebtedness secured by the Mortgage and without regard to the solvency of the Mortgagor, to have a receiver, trustee, liquidator or conservator appointed with all the rights and powers permitted under the laws of the State. Such receiver shall have and may enforce all of the rights and remedies of the Mortgagee under subsection (c) under this heading to the maximum extent permitted by law.

(e) Right to Sell Mortgaged Property. The Mortgagee shall have the right to sell for cash or upon credit the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law.

(f) Right to Institute an Action, Suit or Proceeding. The Mortgagee shall have the right to institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Mortgage, in the Series 2021 Obligation, the Master Indenture or in the other Bond Documents.

(g) Right to Recover on Series 2021 Obligation. The Mortgagee shall have the right to recover judgment on the Series 2021 Obligation either before, during or after any proceedings for the enforcement of the Mortgage or the other Bond Documents.

(h) Rights under the Uniform Commercial Code. The Mortgagee shall have the right to exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Building Materials and the Equipment, or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Building Materials and Equipment, and (ii) request Mortgagor at its expense to assemble the Building Materials and Equipment and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Building Materials and Equipment sent to Mortgagor in

accordance with the provisions of the Mortgage at least five (5) business days prior to such action, shall constitute commercially reasonable notice to Mortgagor.

(i) Right to Apply Sums in Accordance with Bond Documents. The Mortgagee shall have the right to apply any sums then deposited or held in escrow or otherwise by or on behalf of Mortgagee in accordance with the terms of the Series 2021 Obligation, the Mortgage, the Master Indenture or any other Bond Document to the payment of the following items in any order in its uncontrolled discretion: real estate taxes; insurance premiums; interest on the unpaid principal balance of the Series 2021 Obligation; unpaid principal balance of the Series 2021 Obligation; and all other sums payable pursuant to the Series 2021 Obligation, the Master Indenture, the Mortgage and the other Bond Documents, including, without limitation, advances made by Mortgagee pursuant to the terms of the Mortgage.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of Mortgaged Property, the Mortgage shall continue as a lien and security interest on the remaining portion of the Mortgaged Property unimpaired and without loss of priority.

Rights and Remedies Under Mortgage not Exclusive

The rights and remedies of the Mortgagee under the Mortgage shall be in addition to its rights and remedies under the laws of the State, including, but not limited to, its rights and remedies under Section 254 of the Real Property Law of the State. Nothing contained in the Mortgage shall be construed as requiring the Mortgagee to pursue any particular right or remedy for the purpose of procuring the satisfaction of the obligations and indebtedness secured by the Mortgage, and the Mortgagee may exercise any or all of its rights and remedies under the Bond Documents or otherwise provided by law in its sole discretion. No failure of the Mortgagee to insist upon the strict performance by the Mortgagor of any of its covenants or obligations under the Bond Documents, and no delay by the Mortgagee in exercising any of its rights or remedies thereunder or otherwise provided by law, shall be deemed to be a waiver of such covenants or obligations or to preclude the exercise of such rights or remedies, and the Mortgagee, notwithstanding any such failure or delay, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any and all of its covenants and obligations under the Bond Documents and to exercise any and all of its rights and remedies thereunder or otherwise provided by law.

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APPENDIX D

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

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Upon delivery of the Series 2021 Bonds, Nixon Peabody LLP, as bond counsel to the Issuer, proposes to issue their final approving opinion in substantially the following form:

November __, 2021

Westchester County Local Development Corporation
White Plains, New York

The Bank of New York Mellon, as Trustee
New York, New York

Herbert J. Sims and Co., Inc., as Underwriter
New York, New York

Re: \$_____ Westchester County Local Development Corporation
Revenue Bonds, Series 2021A
(Purchase Senior Learning Community Inc. Project)

\$_____ Westchester County Local Development Corporation
Revenue Bonds, Series 2021B
Entrance Fee Principal Redemption BondsSM
(Purchase Senior Learning Community Inc. Project)

\$_____ Westchester County Local Development Corporation
Revenue Bonds, Series 2021C
Entrance Fee Principal Redemption BondsSM
(Purchase Senior Learning Community Inc. Project)

\$_____ Westchester County Local Development Corporation
Revenue Bonds, Series 2021D
Entrance Fee Principal Redemption BondsSM
(Purchase Senior Learning Community Inc. Project)

\$_____ Westchester County Local Development Corporation
Taxable Revenue Bonds, Series 2021E
Entrance Fee Principal Redemption BondsSM
(Purchase Senior Learning Community Inc. Project)

Westchester County Local Development Corporation
The Bank of New York Mellon, as Trustee
Herbert J. Sims and Co., Inc., as Underwriter
November __, 2021
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Ladies and Gentlemen:

We have acted as bond counsel to the Westchester County Local Development Corporation (Westchester County, New York) (the “**Issuer**”), in connection with the issuance on the date hereof by the Issuer of its \$ _____ Revenue Bonds, Series 2021A (Purchase Senior Learning Community Inc. Project) (the “**Series 2021A Bonds**”), its \$ _____ Revenue Bonds, Series 2021B (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021B Bonds**”); its \$ _____ Revenue Bonds, Series 2021C (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021C Bonds**”), its \$ _____ Revenue Bonds, Series 2021D (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021D Bonds**”, and together with the Series 2021A Bonds, the Series 2021B Bonds, and the Series 2021C Bonds, the “**Tax-Exempt Series 2021 Bonds**”), under Section 145 of the Code, and its \$ _____ Taxable Revenue Bonds, Series 2021E (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021E Bonds**” and together with the Series 2021B Bonds, the Series 2021C Bonds, and the Series 2021D Bonds, the “**Entrance Fee Redemption Bonds**”, and together with the Series 2021A Bonds, the “**Series 2021 Bonds**”). The Series 2021 Bonds are authorized to be issued pursuant to:

- (i) Section 1411 of the New York Not-for-Profit Corporation Law (the “**Act**”),
- (ii) the Bond Resolution duly adopted by the Issuer on September 28, 2021 (the “**Resolution**”), and
- (iii) the Indenture of Trust, dated as of November 1, 2021 (the “**Indenture**”), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Owners of the Series 2021 Bonds (the “**Trustee**”). The Series 2021 Bonds were issued to finance or refinance the costs of acquisition, construction, renovating and equipping of a senior living community (as more particularly described in the Indenture) (the “**Project**”).

The Issuer will loan the proceeds of the Series 2021 Bonds to Purchase Senior Learning Community Inc., a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code (the “**Institution**”), pursuant to the terms of a Loan Agreement, dated as of November 1, 2021 (the “**Loan Agreement**”), between the Issuer and the Institution. The Issuer has assigned to the Trustee as security for the Series 2021 Bonds, for the benefit of the Owners of the Series 2021 Bonds, substantially all of its rights under the Loan Agreement pursuant to the Indenture. The Issuer and the Institution have entered into a Tax Regulatory Agreement, dated the date hereof (the “**Tax Regulatory Agreement**”), in which the Issuer and the Institution have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Code.

Westchester County Local Development Corporation
The Bank of New York Mellon, as Trustee
Herbert J. Sims and Co., Inc., as Underwriter
November __, 2021
Page 3

Herbert J. Sims and Co., Inc. (the “**Underwriter**”), has agreed to purchase the Series 2021 Bonds pursuant to the terms of a Bond Purchase Agreement, dated October __, 2021 (the “**Bond Purchase Agreement**”), among the Issuer, the Underwriter and the Institution.

The Institution has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2021 Bonds by the issuance of the Institution’s Obligation No. 1, dated November __, 2021 (the “**Series 2021 Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of November 1, 2021 (the “**Master Trust Indenture**”), by and between the Institution and the other parties thereto from time to time (collectively, the “**Obligated Group Members**”), and The Bank of New York Mellon, as master trustee (the “**Master Trustee**”), as such Master Trust Indenture may be amended and supplemented from time to time, including as amended and supplemented by the Supplemental Indenture for Obligation No. 1, dated as of November 1, 2021 (the “**Supplemental Indenture for Obligation No. 1**”; and together with the Master Trust Indenture, the “**Master Indenture**”), which Series 2021 Obligation will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2021 Bonds.

The Series 2021 Obligation will be secured by (i) a Building Loan Leasehold Mortgage and Security Agreement and a Project Loan Leasehold Mortgage and Security Agreement, each dated as of November 1, 2021 (collectively, the “**Mortgages**”), from the Institution to the Issuer, which Mortgages shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Building Loan Leasehold Mortgage and Security Agreement and an Assignment of Project Loan Leasehold Mortgage and Security Agreement, each dated November __, 2021 (collectively, the “**Assignments**”), from the Issuer to the Master Trustee, and (ii) a pledge of Gross Revenues (as defined in the Master Indenture) of the Obligated Group Members under the Master Indenture.

The Series 2021 Bonds are dated November __, 2021 (the “**Closing Date**”), and bear interest from the date thereof at the rate and pursuant to the respective terms of the Series 2021 Bonds. The Series 2021 Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Series 2021 Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Series 2021 Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned in the Schedule of Definitions attached as Schedule A to the Indenture.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the Institution in (a) the Bond Purchase Agreement, (b) the Tax Regulatory Agreement, (c) the Loan Agreement, (d) the Closing Certificate of the Institution, dated the date hereof, (e) the Due Diligence Questionnaire Supporting Borrower's Representations as to Information Regarding Tax-Exempt Bond Qualification (the “**Bond Counsel Questionnaire**”) submitted to us by the Institution, as amended and supplemented, (f) the Continuing Disclosure Agreement, dated as of November 1, 2021 (the “**Continuing Disclosure Agreement**”), between the Institution and the Trustee, and (g) the Official Statement, dated October __, 2021 (the “**Official Statement**”), and (ii) the Issuer in (a) the Bond Purchase Agreement, (b) the Indenture, (c) the Tax Regulatory Agreement, (d) the Loan Agreement, and (e) the Closing Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer and the Institution must comply after the date of issuance of the Series 2021 Bonds in order for the interest on the Tax-Exempt Series 2021 Bonds to remain excluded from gross income for Federal income tax purposes. Copies of the aforementioned documents (excluding the Bond Counsel Questionnaire) are included in the Transcript of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of counsel to the Issuer, BurgherGray LLP, New York, New York; counsel to the Institution, DelBello Donnellan Weingarten Wise & Wiederkehr LLP, White Plains, New York; counsel to the Trustee and the Master Trustee, Paparone Law PLLC, New York, New York, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate entity constituting a local development corporation of the State of New York.
2. The Issuer is duly authorized to issue, execute, sell and deliver the Series 2021 Bonds, for the purpose of paying the costs of the Project described above.
3. The Resolution has been duly adopted by the Issuer and is in full force and effect.
4. The Bond Purchase Agreement, the Indenture, the Tax Regulatory Agreement, the Assignments and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and assuming the due authorization, execution and delivery thereof by the other parties thereto, are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

5. The Series 2021 Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the revenues derived from the Loan Agreement, enforceable against the Issuer in accordance with their respective terms.

6. The Series 2021 Bonds do not constitute a debt of the State of New York or of Westchester County, New York, and neither the State of New York nor Westchester County, New York, will be liable thereon.

7. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Tax-Exempt Series 2021 Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Tax-Exempt Series 2021 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Series 2021 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the Issuer and the Institution have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Tax-Exempt Series 2021 Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the Institution have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Regulatory Agreement. We are also relying on the opinion of counsel to the Institution, DelBello Donnellan Weingarten Wise & Wiederkehr LLP, as to all matters concerning the status of the Institution as an organization described in Section 501(c)(3) of the Code and exempt from Federal income tax under Section 501(a) of the Code and that the intended use of the facilities financed or refinanced with proceeds of Tax-Exempt Series 2021 Bonds will be in furtherance of the Institution's exempt purposes under Section 501(c)(3) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Tax-Exempt Series 2021 Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

8. Under existing law, interest on the Tax-Exempt Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York (including The City of New York), assuming compliance with the tax covenants and the accuracy of the representations and certifications described in paragraph 7 herein.

9. Interest on the Series 2021E Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation.

10. Interest on the Series 2021E Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York.

Except as stated in the paragraphs 7 through 10 above, we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of the Series 2021 Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

The foregoing opinions are qualified to the extent that the enforceability of the Series 2021 Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Assignments and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the Institution or the Trustee in connection with the Series 2021 Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Official Statement, the Continuing Disclosure Agreement or the Project and make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data. In addition, we express no opinion herein with respect to the accuracy, completeness, sufficiency or fairness of the Official Statement with respect to the Series 2021 Bonds.

We express no opinion herein with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Facility contained in the Loan Agreement or the Mortgages or as to the adequacy, perfection or priority of any security interest in any collateral securing the Series 2021 Bonds.

Furthermore, we express no opinion as to the Continuing Disclosure Agreement. We express no opinion with respect to whether the Issuer and the Institution (i) have complied with the State Environmental Quality Review Act, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in

Westchester County Local Development Corporation
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connection with the renovation, construction, equipping, furnishing and operation of the Facility and the loan of the proceeds of the Series 2021 Bonds by the Issuer to the Institution for the Project.

The opinions expressed herein may be relied upon by the addressees and may not be relied upon by any other person without our prior written consent.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

By and Between

PURCHASE SENIOR LEARNING COMMUNITY INC.,
on behalf of itself and as sole Member of the Obligated Group

and

THE BANK OF NEW YORK MELLON,

as dissemination agent

for

Westchester County Local Development Corporation,
Revenue Bonds (Purchase Senior Learning Community Inc. Project),
Series 2021

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of November 1, 2021 (this “Agreement”), by and between PURCHASE SENIOR LEARNING COMMUNITY INC. (the “Corporation”), as the sole member of the Obligated Group (as defined herein), and THE BANK OF NEW YORK MELLON, a banking corporation organized and existing under the laws of the State of New York, as dissemination agent (the “Dissemination Agent”) for the \$PAR aggregate principal amount of its Revenue Bonds (Purchase Senior Learning Community Inc. Project), Series 2021 (the “Series 2021 Bonds”), consisting of (i) \$PAR1 Series 2021A Bonds (the “Series 2021A Bonds”), (ii) \$PAR2 Series 2021B Entrance Fee Principal Redemption Bonds (the “Series 2021B Bonds”), (iii) \$PAR3 Series 2021C Entrance Fee Principal Redemption Bonds (the “Series 2021C Bonds”), (iv) \$PAR4 Series 2021D Entrance Fee Principal Redemption Bonds (the “Series 2021D Bonds”) and (v) \$PAR5 Series 2021E Taxable Entrance Fee Principal Redemption Bonds (the “Series 2021E Bonds”) issued by the Westchester County Local Development Corporation (the “Issuer”). The Series 2021 Bonds are being issued pursuant to an Indenture of Trust (the “Bond Indenture”), dated as of November 1, 2021, by and between the Issuer and The Bank of New York Mellon, as bond trustee (the “Trustee”). The proceeds of the Series 2021 Bonds are being loaned to the Corporation pursuant to a Loan Agreement, dated as of November 1, 2021 (the “Loan Agreement”), by and between the Issuer and the Corporation. The obligation of the Corporation to make payments under the Loan Agreement is secured by a promissory note issued pursuant to the Loan Agreement and an obligation issued pursuant to the Master Indenture (as defined herein). For valuable consideration, the receipt of which is acknowledged, the Corporation, on behalf of itself and as sole Member of the Obligated Group, and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions.

Capitalized terms used herein and not otherwise defined in this Section 1 have the meanings given to such terms in the Loan Agreement or the Master Indenture. In addition, the following words shall have the following meanings for all purposes of this Agreement:

“Annual Report” shall mean any Annual Report provided by the Obligated Group pursuant to and as described in Sections 2 and 3 of this Agreement.

“Bondholder” shall mean any registered owner of the Series 2021 Bonds and any holders of beneficial interests in the Series 2021 Bonds.

“Disclosure Representative” shall mean the Secretary of the Corporation, or his or her designee, or such other person as the Obligated Group shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean The Bank of New York Mellon, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Group and which has filed with its predecessor Dissemination Agent a written acceptance of such designation in accordance with Section 15 hereof.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be prescribed by the MSRB for purposes of the Rule and approved by the SEC from time to time.

“Event of Default” shall mean any of the events described in Section 8.01 of the Bond Indenture.

“Financial Obligation” shall mean “financial obligation” as such term is used in the Rule, as evidenced by SEC Release No. 34 83885 (August 20, 2018).

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States of America.

“Listed Event” shall mean any of the events listed in Section 7(i) of this Agreement.

“Master Indenture” shall mean the Master Trust Indenture, dated as of November 1, 2021, by and between the Corporation, as initial sole Member of the Obligated Group, and The Bank of New York Mellon Trust Company, N.A., as master trustee, as amended and supplemented, including by the Supplemental Indenture for Obligation No. 1, dated as of November 1, 2021.

“Member” or “Member of the Obligated Group” shall mean any Person (as defined in the Master Indenture) listed on Exhibit C of the Master Indenture after designation as a Member of the Obligated Group pursuant to the terms of the Master Indenture.

“Monthly Report” shall mean any Monthly Report provided by the Obligated Group pursuant to, and as described in, Section 4(i) of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Obligated Group” shall mean, initially, the Corporation and, thereafter, any Person (as defined in the Master Indenture) which shall become a Member of the Obligated Group in accordance with the Master Indenture and not including any Person which shall have withdrawn from the Obligated Group in accordance with the Master Indenture.

“Official Statement” shall mean the Official Statement of the Issuer, dated October __, 2021, relating to the Series 2021 Bonds.

“Quarterly Report” shall mean any Quarterly Report provided by the Obligated Group pursuant to, and as described in, Section 4(ii) of this Agreement.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“Underwriter” shall mean the underwriter of the Series 2021 Bonds required to comply with the Rule in connection with the issuance of the Series 2021 Bonds.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

Section 2. Annual Reports.

(i) The Obligated Group shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, not later than one hundred fifty (150) days after the end of each Fiscal Year of the Obligated Group, commencing with the Fiscal Year ending June 30, 2022, an Annual Report which is consistent with the requirements of Section 3 of this Agreement. On or prior to said date (except that in the event the Obligated Group elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the Obligated Group to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Obligated Group has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. The Obligated Group shall include with each such submission of the Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Annual Report is the Annual Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a

package, and may cross-reference other information as provided in Section 3 of this Agreement; provided that the audited financial statements of the Obligated Group may be submitted separately from the balance of the Annual Report.

(ii) If by 5 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Obligated Group to request a report regarding compliance with the provisions governing the Annual Report.

(iii) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(iv) The Dissemination Agent shall provide notice to the Issuer and the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) certifying that the Obligated Group has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Agreement, and stating the date it was provided (if such report was provided).

(v) The information described above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Member of the Obligated Group are obligated persons" (as defined by the Rule), which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Obligated Group shall clearly identify each such other document so included by reference.

(vi) If the Obligated Group's Fiscal Year changes, the Obligated Group will file or cause the Dissemination Agent to file a notice of such change with the MSRB.

Section 3. Content of Annual Reports. The Annual Report shall contain or include by reference the following information:

(i) a copy of the consolidated annual financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles and audited by a certified public accountant, including a statement of the balances on deposit in each fund and account established under any Related Bond Indenture, provided, if the audited financial statements are not available within one hundred fifty (150) days after the end of each Fiscal Year of the Obligated Group unaudited financial statements shall be filed and subsequently replaced or supplemented by the audited financial statements when available;

(ii) a calculation of compliance by each Member with applicable covenants under the Master Indenture and any Related Loan Document (including without limitation, the Cumulative Cash Loss Covenant, the Debt Service Coverage Ratio Covenant and the Liquidity Covenant set forth in the Master Indenture), so long as each such covenant is in effect for such Fiscal Year,

(iii) a letter from such accountant to the effect that in the course of such audit nothing came to its attention to lead it to believe that the Corporation or the Obligated Group, as applicable, failed to comply with the terms, covenants, provisions or conditions of Sections 4.09, and 4.25 of the Master Indenture and Section 8.14 of the Loan Agreement, inclusive;

(iv) a copy of the operating budget and capital budget of each Member of the Obligated Group for the ensuing Fiscal Year and any amendments to such budgets approved by the governing bodies of the Obligated Group; and

(v) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information set forth in the tables included in the subsections titled "Entrance Fees and Monthly Fees" and "Assisted Living Suites and Memory Care Suites" in Appendix A to the Official Statement.

Section 4. Monthly Reports and Quarterly Reports:

(i) *Monthly Reports.* The Obligated Group shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the Monthly Reports as soon as practicable after it is available but in no event more than 30 days after the end of each month. On or prior to said date (except that in the event the Obligated Group elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Monthly Report shall be provided by the Obligated Group to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Monthly Report with the MSRB, or (ii) a certificate stating that the Obligated Group has provided the Monthly Report to the MSRB and the date on which such Monthly Report was provided. The Obligated Group shall include with each such submission of the Monthly Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Monthly Report is the Monthly Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement.

(A) Commencing after the issuance and delivery of the Series 2021 Bonds until Stabilization, a marketing report, showing (1) the number of Reserved Units at the beginning and at the end of the month, (2) the number of Residency Agreements terminated during the month specifying the reason for each termination and (3) if the month end for such report is also a fiscal quarter end, whether any Member is in compliance with applicable Marketing Requirements for such quarter under any Related Loan Document;

(B) Commencing after the issuance and delivery of the Series 2021 Bonds until construction completion, a construction status report evaluating construction progress prepared by a Construction Monitor, who shall monitor construction progress and the construction budget on a monthly basis and conduct site visits, meet with the construction manager, architect and the Development Consultant;

(C) Commencing after the issuance and delivery of the Series 2021 Bonds until construction completion, a report by the Development Consultant on behalf of the Obligated Group on the progress of the construction showing the dollar amount and percentage of completion of each stage of construction, comparing such amounts to the amounts estimated in the schedule of values and construction progress schedule delivered at closing, estimating the amount of funds required to complete the Facility, and certifying that the amount available in the Construction Account will be sufficient to pay the costs of completing the Facility;

(D) Commencing after the issuance and delivery of the Series 2021 Bonds until construction completion, a report by the Development Consultant on behalf of the Obligated Group on the development costs of the Facility incurred during that month and on an aggregate basis;

(E) Commencing after the Initial Occupancy Date until Stabilization, an occupancy report, showing (1) the number and type of Independent Living Units, assisted living beds and memory care beds occupied at the beginning and at the end of the month, (2) the number and type of Independent Living Units, assisted living beds and memory care beds vacated during the month, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of Independent Living Units, assisted living beds and memory care beds as a percentage of capacity, (4) the number of residents in the assisted living beds and memory care beds who, during the previous monthly reporting period, resided outside of the Facility, and (5) if the month end for such report is also a fiscal quarter end, whether each Member is in compliance with applicable Occupancy Requirements for such quarter under any Related Loan Document; and

(F) Commencing after the Initial Occupancy Date until Stabilization, unaudited financial statements of the Obligated Group including (i) a balance sheet (showing the balances on deposit in each fund held under any Related Bond Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) cash flow statements setting forth actual cash flow for each elapsed

month of the Fiscal Year and comparing budgeted to actual operations, (iv) if the month end for such report is also a fiscal quarter end, whether each Member is in compliance with the applicable Cumulative Cash Loss Covenant (as defined in the Master Indenture), along with supporting evidence of same, and (v) Days' Cash on Hand semi-annually.

(ii) *Quarterly Reports.* The Obligated Group shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the Quarterly Reports as soon as practicable after it is available but in no event more than 45 days after the completion of such fiscal quarter commencing with the fiscal quarter immediately following Stabilization. On or prior to said date (except that in the event the Obligated Group elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Quarterly Report shall be provided by the Obligated Group to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Quarterly Report with the MSRB, or (ii) a certificate stating that the Obligated Group has provided the Quarterly Report to the MSRB and the date on which such Quarterly Report was provided. The Obligated Group shall include with each such submission of the Quarterly Report to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Quarterly Report is the Quarterly Report required to be provided by it pursuant to this Agreement and that it complies with the applicable requirements of this Agreement.

(A) quarterly unaudited financial statements of the Obligated Group (including unaudited financial statements with respect to the fourth quarter of each Fiscal Year), including (i) a balance sheet (showing the balances on deposit in each fund held under the Indenture), (ii) a statement of operations, showing revenues and expenses and comparing budgeted to actual operations, in each case for the preceding period since the last report and from the beginning of the current Fiscal Year, and on an annual basis, comparing actual operations to the Feasibility Study, (iii) a calculation of the Historical Debt Service Coverage Ratio and Days Cash on Hand of the Obligated Group, and (iv) cash flow statements setting forth actual cash flow for each elapsed month of the Fiscal Year and comparing budgeted to actual operations; and

(B) an occupancy report, showing (1) the number and type of Independent Living Units, assisted living beds and memory care beds occupied at the beginning and at the end of the fiscal quarter, (2) the number and type of Independent Living Units, assisted living beds and memory care beds vacated during the fiscal quarter, specifying the reason each unit was vacated (including death, transfer to a health care facility or other causes), (3) the actual occupancy of the Independent Living Units, assisted living beds and memory care beds as a percentage of capacity, and (4) the number of residents in the assisted living beds and memory care beds who, during the previous quarterly reporting period, resided outside of the Facility.

(iii) *Failure to Provide Required Notices.* In a timely manner, the Obligated Group shall file with the MSRB written notice of any failure by the Obligated Group to provide any information required pursuant to Section 3 or 4 herein within the time limit specified therein.

Section 5. Additional Reports.

The Obligated Group shall, or shall electronically file, or shall deliver to the Dissemination Agent for the Dissemination Agent to electronically file, with the MSRB, the following information, as applicable:

(1) At any time during the Fiscal Year, copies of any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member of the Obligated Group as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of the Series 2021 Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, promptly upon receipt;

(2) Within ten (10) days following its delivery to the Master Trustee, a copy of any Officer's Certificate and any report and recommendations of any Consultant required to be delivered to the Master Trustee under the Master Indenture;

(3) Any actuarial study for any Member of the Obligated Group prepared according to state regulatory requirements within thirty (30) days of receipt of such actuarial study.; and

(4) Within ten (10) days after the incurrence thereof, debt service schedules for all Long-Term Indebtedness secured by an Obligation under the Master Indenture.

Section 6. Financial Statements.

The Obligated Group's annual financial statements for each Fiscal Year shall be prepared in accordance with GAAP and audited in accordance with GAAS as in effect from time to time.

Section 7. Reporting of Listed Events.

(i) This Section 7 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-Payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS FORM 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds or other material events affecting the tax status of the Series 2021 Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person¹;

¹ Note to clause 12: For the purposes of the event identified in clause 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for any Member of the Obligated Group in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of any Member of the Obligated Group, 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 any Member of the Obligated Group.

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of any Member of the Obligated Group, if material or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of any Member of the Obligated Group and of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of any Member of the Obligated Group, any of which reflect financial difficulties.

(ii) The Dissemination Agent shall, to the extent it has received any information or notice or made any Annual Report filing pursuant to the provisions of this Agreement, file a written report with the Corporation certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided.

Section 8. Investor Calls.

The Obligated Group shall make available one or more representatives for a quarterly telephone conference call commencing upon the issuance and delivery of the Series 2021 Bonds through the first four quarters following Stabilization (or more frequently if requested by a majority of Bondholders) with the Bondholders to discuss the financial results of the preceding fiscal quarter and such other matters as are relevant or are reasonably requested by the Bondholders, within 65 days after the completion of such fiscal quarter; provided, however, that subsequent to the first four quarters following Stabilization, such conference calls shall be required to be held on a semi-annual basis only, and furthermore, upon achievement of an investment grade rating on the Series 2021 Bonds, such conference calls shall be required to be held on an annual basis only, within 180 days after the end of each Fiscal Year (and in all cases such annual conference call shall occur after the delivery of the annual financial report required by Section 3 above. The Obligated Group shall post notice of such calls to EMMA at least one week prior to the scheduled date of each call.

Section 9. Disclosure Default.

The occurrence and continuation of a failure by the Obligated Group to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement and such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the Obligated Group by the Dissemination Agent or any Bondholder shall constitute a Disclosure Default hereunder.

Section 10. Remedies.

If the Obligated Group or the Dissemination Agent shall fail to comply with any provision of this Agreement, the Dissemination Agent or the Obligated Group, as the case may be, may (and, at the request of the Underwriter or the Bondholders of at least 25% aggregate principal amount of the Series 2021 Bonds Outstanding shall) enforce, or any Bondholder may enforce, for the equal benefit and protection of all Bondholders similarly situated, by mandamus or other suit or proceeding at law or in equity, the provisions of this Agreement against the Obligated Group or the Dissemination Agent, as the case may be, and any of the officers, agents and employees of the Obligated Group or the Dissemination Agent and may compel the Obligated Group or the Dissemination Agent, as the case may be, or any such officers, agents or employees to perform and carry out their duties under this Agreement, provided that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the Obligated Group or the Dissemination Agent hereunder and no person

or entity shall be entitled to recover monetary damages hereunder under any circumstances in case the Obligated Group, the Dissemination Agent or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Obligated Group or the Dissemination Agent or any Bondholder, as the case may be, then and in every such case the Obligated Group, the Dissemination Agent and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Obligated Group, the Dissemination Agent and any Bondholder shall continue as though no such proceeding had been taken. Failure to comply with any provision of this Agreement shall not in any manner constitute an Event of Default.

Section 11. Additional Information.

Nothing in this Agreement shall be deemed to prevent the Obligated Group from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information as part of the Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Obligated Group chooses to include any information as part of the Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Obligated Group shall have no obligation under this Agreement to update such information or include it as part of any future Annual Report, Quarterly Report, Monthly Report or notice of occurrence of a Listed Event.

Section 12. Parties in Interest.

This Agreement shall inure solely to the benefit of the Obligated Group, the Issuer, the Dissemination Agent, the Underwriter and the Bondholders and shall create no rights in any other person or entity. The Issuer is hereby recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee or the Bondholders.

Section 13. Amendments.

(i) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Series 2021 Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Bond Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Obligated Group, the Issuer and the Dissemination Agent.

(ii) Without the consent of any Bondholders, the Obligated Group and the Dissemination Agent, at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(A) to add a successor dissemination agent for the information required to be provided by the Obligated Group hereunder and to make any necessary or desirable amendments or modifications in connection therewith;

(B) to evidence the succession of another entity to any Member of the Obligated Group and the assumption by any such successor of the covenants and agreements of any Member of the Obligated Group hereunder;

(C) to add to the covenants and agreements of Obligated Group hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Obligated Group by this Agreement;

(D) to modify the contents, presentation and format of the Annual Report, Quarterly Report or Monthly Report from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Member of the Obligated Group or the type of business conducted, provided that (1) this Agreement, as amended, would

have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2021 Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and (2) the amendment or change does not materially impair the interests of Bondholders, as determined either by a party unaffiliated with the Obligated Group (such as bond counsel), or by the vote or consent of Bondholders of a majority in outstanding principal amount of the Series 2021 Bonds affected thereby (given in the manner prescribed in the Bond Indenture for amendments thereto requiring Bondholder consent) at or prior to the time of such amendment or change; or

(E) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

(iii) Upon entering into any amendment or modification required or permitted by this Agreement, the Obligated Group shall deliver, or cause to be delivered, to the MSRB written notice of any such amendment or modification.

Section 14. Termination.

This Agreement shall remain in full force and effect until such time as the principal of and interest on the Series 2021 Bonds shall have been paid in full or the Series 2021 Bonds shall have otherwise been paid or legally defeased pursuant to the Bond Indenture. If the Corporation's or any other Member of the Obligated Group's obligations under the Loan Agreement and the Master Indenture are assumed in full by some other entity or entities, such entity or entities shall be responsible for compliance with this Agreement and the Obligated Group shall have no further responsibility hereunder.

Section 15. The Dissemination Agent.

The provisions of Article IX of the Bond Indenture (including any successor provisions) are hereby made applicable to this Agreement as if this Agreement (solely for this purpose) was contained in the Bond Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and the Obligated Group agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct in connection with its duties and obligations under this Agreement. The obligations of the Obligated Group under this Section 15 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2021 Bonds.

Section 16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws.

Section 17. Counterparts.

This Agreement may be executed in one or more counterparts, and when the Obligated Group and the Dissemination Agent have each executed and delivered at least one counterpart, this Agreement shall become binding on each Member of the Obligated Group and the Dissemination Agent and such counterparts shall be deemed to be one and the same document.

Section 18. Severability.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, (i) the validity, legality and enforceability of the remaining provisions contained

herein shall not in any way be affected or impaired thereby, and (ii) the Obligated Group and the Dissemination Agent shall engage in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions the effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 19. Headings.

The headings of the sections of this Agreement are for convenience of reference only and shall not affect the meaning or construction of any provision of this Agreement.

Section 20. No Recourse to the Issuer, Indemnified Parties

No recourse shall be had for the performance of any obligation, agreement or covenant of the Obligated Group or the Dissemination Agent under this Agreement against the Issuer or against any member, official, employee, counsel, consultant and agent of the Issuer or any person executing the Series 2021 Bonds.

The Obligated Group agrees to indemnify, protect, defend and hold harmless the Issuer, the Dissemination Agent and the Underwriter, any member, officer, director, official, employee, counsel and agent of the Issuer, the Dissemination Agent and the Underwriter, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchase of the Series 2021 Bonds through the ownership of voting securities, by contract or otherwise (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses (including reasonable attorneys' fees) whatsoever caused solely by the Obligated Group's failure to perform or observe any of its obligations, agreements or covenants. Under the terms of this Agreement but only if and insofar as such losses, claims, damages, liabilities or expenses are caused solely by any such failure of the Obligated Group to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the any Member of the Obligated Group, the Indemnified Parties shall promptly notify the Obligated Group in writing. Upon receipt of such notification, the Obligated Group shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action and the right to negotiate and settle any such action on behalf of such party. Any Indemnified Party 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 be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized by the Obligated Group, or unless by reason of conflict of interest determined by the written opinion of counsel to any such party, it is necessary for such party to be represented by separate counsel, to be retained by the Obligated Group, in which case the reasonable fees and expenses of such separate counsel shall be borne by the Obligated Group. The Obligated Group shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Obligated Group or if there be a final judgment for the plaintiff in any such action with or without written consent, the Obligated Group agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this paragraph shall require or obligate the Obligated Group to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused, in whole or in part, by any negligence or willful misconduct of the Indemnified Parties in connection with this Agreement. The obligations of the Obligated Group under this Section 20 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2021 Bonds.

The indemnification set forth in this Section 20 is in addition to any other liability which the Obligated Group may otherwise have.

Section 21. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Dissemination Agent) to, in the case of the Obligated Group, addressed to Purchase Senior Learning Community Inc., 735 Anderson Hill Road, Purchase, New York 10577, Attention Secretary, and in the case of the Dissemination Agent, addressed to it at its corporate trust office at [500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262].

Section 22. Assignments.

This Agreement may not be assigned by either party without the consent of the other and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 23. Resignation of the Dissemination Agent.

The Dissemination Agent may resign at any time upon the giving of written notice of such resignation by the Dissemination Agent to the Issuer and the Obligated Group. Such resignation shall only take effect upon the appointment by the Obligated Group, qualification of, and acceptance by, a successor Dissemination Agent.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

PURCHASE SENIOR LEARNING COMMUNITY
INC., on behalf of itself and as sole Member of the
Obligated Group

By _____

THE BANK OF NEW YORK MELLON, as
Dissemination Agent

By _____

EXHIBIT A
To Continuing Disclosure Agreement

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL/MONTHLY REPORT

Name of Authority: Westchester County Local Development Corporation

Name of Issue: \$PAR Westchester County Local Development Corporation, Revenue Bonds (Purchase Senior Learning Community Inc. Project), Series 2021

Names of the Members of the Obligated Group: Purchase Senior Learning Community Inc.

Date of Official Statement: October __, 2021

NOTICE IS HEREBY GIVEN that the Obligated Group has not yet provided [an Annual/a Monthly] Report with respect to the above-named Series 2021 Bonds as required by the Continuing Disclosure Agreement by and between Purchase Senior Learning Community Inc. (the “Company”) and The Bank of New York Mellon (the “Dissemination Agent”) dated as of November 1, 2021.

Dated: _____

THE BANK OF NEW YORK MELLON,
as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Company
Issuer

APPENDIX F
FORM OF INVESTOR LETTER

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APPENDIX F

(FORM OF INVESTOR LETTER)

The undersigned, [] (as “**Purchaser**”), HEREBY ACKNOWLEDGES receipt of the Westchester County Local Development Corporation \$[] Revenue Bonds, Series 2021A (Purchase Senior Learning Community Inc. Project) (the “**Series 2021A Bonds**”), its \$[] Revenue Bonds, Series 2021B (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021B Bonds**”); its \$[] Revenue Bonds, Series 2021C (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021C Bonds**”), its \$[] Revenue Bonds, Series 2021D (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021D Bonds**”, and together with the Series 2021A Bonds, the Series 2021B Bonds, and the Series 2021C Bonds, the “**Tax-Exempt Series 2021 Bonds**”), and its \$[] Taxable Revenue Bonds, Series 2021E (Purchase Senior Learning Community Inc. Project) Entrance Fee Principal Redemption BondsSM (the “**Series 2021E Bonds**” and together with the Series 2021B Bonds, the Series 2021C Bonds, and the Series 2021D Bonds, the “**Entrance Fee Redemption Bonds**”, and together with the Series 2021A Bonds, the “**Series 2021 Bonds**”), each dated November [], 2021, which Series 2021 Bonds are more particularly described in a certain Indenture of Trust, dated as of November 1, 2021 (the “**Indenture**”), by and between Westchester County Local Development Corporation (the “**Issuer**”) and The Bank of New York Mellon, as trustee (the “**Trustee**”) (capitalized terms used but not defined herein shall have the respective meaning set forth in the Indenture); and

REPRESENTS that:

1. The Purchaser hereby certifies that it is (check appropriate box):

- ☐ a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), and/or a “sophisticated municipal market professional” as defined in Municipal Securities Rulemaking Board Rule D-15 (a “**Qualified Institutional Buyer**”); or
- ☐ an “accredited investor” as defined in Rule 501 of Regulation D under the Securities Act (an “**Accredited Investor**”).

2. It has read the Official Statement, dated as of October [], 2021 (the “**Official Statement**”) and the summaries of the Series 2021 Bonds, Indenture, the Loan Agreement, the Tax Regulatory Agreement, as summarized in the Official Statement, and the Purchaser acknowledges and understand the terms of such agreements.

3. It has received the information with respect to Purchase Senior Learning Community Inc. (the “**Borrower**”) and its affairs, which the Purchaser has requested, including financial statements, necessary in order to purchase the Series 2021 Bonds and that any and all information relating to the Borrower and its affairs, which the Purchaser has requested, has been provided to the Purchaser. Nothing contained herein shall be deemed to relieve the Borrower of

its obligations with respect to disclosure to the Purchaser in connection with the sale of the Series 2021 Bonds under the federal and state securities laws.

4. The undersigned is an original purchaser or beneficial owner of \$[] of Series 2021 Bonds and is holding such Series 2021 Bonds for its own account and not in the capacity of a bond house, broker or other intermediary, nor with a view to the distribution or resale thereof, provided that the right is reserved by the Purchaser to dispose of all or any part of such Series 2021 Bonds if in the future it deems it advisable to do so.

5. It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment.

6. It has not offered, offered to sell, offered for sale or sold the Series 2021 Bonds by means of any form of general solicitation or general advertising and the Purchaser is not an underwriter within the meaning of Section 2(11) of the Securities Act, and will only sell the Series 2021 Bonds, should it choose to do so, in accordance with applicable law. The undersigned hereby acknowledges that in accordance with the Indenture and the Series 2021 Bonds, subject to certain exceptions provided therein, the Series 2021 Bonds may only be sold or assigned to Qualified Institutional Buyers or Accredited Investors.

7. It understands that the Series 2021 Bonds being purchased shall be special obligations of the Issuer, payable by the Issuer solely from the loan payments, revenues and receipts to be derived under the Loan Agreement, and that the Series 2021 Bonds do not constitute a debt of the State of New York or of Westchester County, and neither the State of New York nor Westchester County is liable on the Series 2021 Bonds.

8. It understands that the Issuer has no power of taxation.

9. It understands that neither the members, directors, officers or agents of the Issuer, nor any person executing the Series 2021 Bonds shall be liable personally or be subject to any personal liability or accountability by reason of or in connection with the issuance thereof.

10. It understands that the Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Project or the suitability of the Project for the purposes or needs of the Borrower or the extent to which proceeds derived from the sale of the Series 2021 Bonds will be sufficient to pay the cost of the Project.

11. It has not requested nor received any information concerning the Borrower from the Issuer which it as a reasonable investor deems important in reaching an investment decision to purchase the Series 2021 Bonds. It is not relying on the Issuer with respect to the financial condition of the Borrower, or the creditworthiness of the Borrower, or the competency or integrity of the management of the Borrower, or of the suitability of the Facility for the business or purposes of the Borrower. It has made an independent evaluation of the factors aforementioned in this paragraph 11 without reliance upon the Issuer for any of them.

12. It has not relied upon the determination of the Issuer to issue its revenue bonds to finance the cost of the Project for any purpose of an evaluation of the financial condition

or creditworthiness of the Borrower, or of the competency or integrity of the management of the Borrower or of the suitability of the Facility for the business or purposes of the Borrower or for any other purpose.

13. It has received from the Borrower and not from the Issuer whatever information was requested with respect to the Borrower, which it deemed important as a reasonable investor in reaching an investment decision to purchase the Series 2021 Bonds.

14. It understands that the Issuer does not in any way represent that the insurance required by the Loan Agreement, whether in scope or coverage or limits of coverage, is adequate or sufficient to protect the business or interest of the Borrower.

[_____] , as **Purchaser**

Dated: October [___], 2021

By: _____
Name:
Title:

END OF FORM OF INVESTOR LETTER

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